RETAIL MARKET ANALYSIS
OTTAWA CENTRAL AREA
AND
EASTERN STUDY AREA

Prepared for:

CITY OF OTTAWA

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LARRY SMITH & ASSOCIATES LTD.

Suite 2400, York Centre, 145 King Street West
Toronto, Ontario, Canada M5H 1V8 • (416) 362-4268
Cables Colybrand Telex 06-23590

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INTRODUCTION

This retail market study and impact analysis has been prepared for the City of Ottawa and is dated the twenty-seventh day of February, nineteen hundred and eighty-one. The purpose of this study is two-fold: 1) to determine whether there is a need for any regional shopping centre at Blair Road and the Queensway (Known as the Eastgate site) and 2) to examine the impact, if any, of such a centre, should it proceed, on the sales performances of existing and planned retail nodes with particular emphasis on the Ottawa Central Business District (CBD).

The Ottawa CBD's share of the regional department store type merchandise (DSTM) market has in the short space of some 15 years declined from 41% to 17.7%. In Canadian cities, an active and healthy CBD has invariably contained a strong and viable retail component. The Ottawa CBD as the heart of the nation's capital has many components - The Parliament Buildings, federal government offices, hotels, retail trade and services, etc. Because of the steady erosion of the Ottawa CBD's role in the regional retail market, it finds itself today at a critical crossroads. Continued decline will bring with it lack of investment, lack of maintenance, deterioration of buildings, vacancies and eventually a reduction in the tax base. This is not the course for the future which the City and other levels of government have accepted. Many years of planning for the revitalization of retailing in the Ottawa CBD have been brought together in a plan now known as the Rideau Area Project. Formal commitment by all levels of government to the Rideau Area Project is evidenced in a legal agreement entered into in May 1979 and signed by the Federal Minister of Public Works, the General Manager of the National Capital Commission, the Chairman of the Regional Municipality of Ottawa-Carleton and the Mayor of Ottawa.

A major part of the Rideau Area Project revolves around the Rideau Centre, a new development project to be located east of the Canal on the site of some 14 acres bounded by Rideau Street on the north, Nicholas Street on the east, the MacKenzie King Bridge on the south and Colonel By Drive on the west. The Rideau Centre Project is multi-land use in nature including inter-alia, a large climate controlled shopping centre with a major department store (Eaton's), a 500 room hotel, a large convention centre to be owned by the Regional Municipality of Ottawa-Carleton and operated by the City of Ottawa and an office building to be occupied by the Federal Government.

The future strength and viability of retailing in downtown Ottawa will be inextricably tied to the success of the retail component proposed in the Rideau Centre Project. The majority of the retail space in Rideau Centre will be leased to DSTM tenants, the same type of DSTM facilities that could be expected to form by far the largest portion of any regional shopping centre project at the Eastgate site. If there is a threat to theRideau Centre Project and hence the future strength and viability of retailing in Downtown Ottawa it will be because of a significant over supply of DSTM space in the marketplace. This serves to explain why this study does not cover the entire retail sector but rather is limited to DSTM facilities. The remaining retail industry outlets - including food stores, liquor/beer/wine outlets,

establishments of a service nature such as beauty salons, barber shops, dry cleaning depots and restaurants - are not at issue as between the future of the Ottawa CBD and the Eastgate proposal.

The General Study Approach

In general, retail planners when analyzing the demand for additional future retail space may use one of three different retail study methods:

1. A market share analysis
2. A gravity model
3. A residual study approach

The principal component of a market share analysis is the determination of the total potential and the assignment of a specific market share to a proposed development. In our opinion, this method is only valid once at least the major tenants e.g. department stores are known with certainty. The market share approach, however, fails to detail the transfer of sales to the new facilities from existing trade area stores and thus, cannot address itself to the question of impact.

A gravity model presents a simplistic and frequently unrealistic view of a specific market area by assuming that all but two factors are constant. Under this methodology, consumer decisions with regard to retailing are typically assumed to be based only on the size of stores and the distance or travel time. Although a gravitational model may be an important theoretical planning tool if applied by knowledgeable retail specialists, its simplicity usually results in significant distortions rendering this method unrealiable.

Any additional future retail space warranted under the residual method of analysis is based, inter alia, on increases in population, increases in standard of living, recognition of available but unserved potential in a number of store categories and potential recapture of retail expenditures currently flowing out of the particular geographic market area under study. As such, a residual analysis by itself is a conservative planning tool because it recognizes and protects the current sales volume of all existing retailers in the market. There will obviously be short term market realignments with the building of any new major retail project; but if sufficient expenditure potential i.e. demand exists in the market for all retailers, the existing as well as the new ones, there should normally not be any undue hardships for any group of competitive retailers.

Impact Analysis

In addition to the standard residual approach, in this study consumer surveys have been employed allowing quantitative as well as qualitative evaluations to be made. By employing the results of a consumer survey conducted specifically for this study as a point of departure, we have projected future realign-

ment in the market flowing directly from the introduction of specific retail projects and in particular, the proposed Eastgate Regional Shopping Centre. An examination of the results of the market realignments provides a measure of the impact which a project such as Eastgate will have on other major retail nodes in the market.

In this retail impact analysis we wish to draw attention to two important concepts used. The first is known as "transfer" and refers simply to sales at a future date which are diverted away from existing or given retail stores to a new facility locating in the same market. The second concept is that of "critical impact"; it stems from the transfer of sales, but whether or not the transfer of sales results in serious or critical impact depends upon three additional considerations - the time elapsed between the base date of the study and the date in the future when the transfer takes place, the level to which sales are reduced as a result of the transfer effect in relation to acceptable performance levels for such a facility, and the time period required before market forces will restore sales to the acceptable or target level.

Assumptions

In any study requiring estimates of future conditions, it is necessary to make certain specific assumptions. These have been stated at the appropriate place in the study text. In addition, however, there are a number of underlying and basic assumptions upon which the validity of the findings presented in this report depend. Based on our considerable and long term experience in the retail planning process, we recognize and appreciate the problems associated with making broad and generalized assumptions about future conditions. Undoubtedly deviations from historic and current trends will take place in the future. Basic assumptions are required, however, regarding the possible extent of such deviations if any planning to serve future market conditions and needs is to be practised at all. Acceptance of these basic assumptions generally demand that they be realistic in the sense that they reflect reasonable expectations, given the current information base. These basic and underlying assumptions have been stated below:

1. During the period covered by this report, Canada in general, Ontario and Quebec and the Ottawa-Hull Economic Area in particular, will not suffer any drastic economic decline or major depression which would substantially influence normal incomes and expenditure levels.

2. Actual population levels attained in future years will not differ substantially from the projected levels employed in this analysis.

3. The official statistical sources utilized in this analysis are sufficiently accurate for the purposes of this study.

4. It is assumed that no other major competitive retail projects will be developed in the market beyond those which could be anticipated on the basis of current information available.

5. All references to the Canadian dollar in this report dealing with the present or future periods reflect its 1980 value. It is recognized that fluctuations in the absolute value and purchasing power of the dollar will probably occur during the period covered by this report. It is assumed, however, that the relationship between per capita income and expenditure levels, the value of the dollar in store operating levels will remain more or less constant during the period analyzed. Since this report deals with future space additions, inflation must be eliminated since it has no influence on the physical space used in retail facilities.

If for any reason major changes should occur which influence the basic assumptions stated above, the recommendations contained in this report should be reviewed in the light of such changed conditions and revised, if necessary.

SUMMARY OF MAJOR FINDINGS AND CONCLUSIONS

1. The Ottawa CBD today is capturing about 17% of the available regional DSTM market potential, less than half the share it enjoyed a scant fourteen years ago.

2. The need for retail revitalization in the Ottawa Central Area has been recognized for more than a decade. The logical locus for concerted revitalization action is in the eastern sector of the CBD in the Rideau Street Area.

3. The Rideau Area Project (with its Rideau Centre component including a major climate controlled shopping centre with a new Eaton's department store) is a revitalization program which has received support and financial commitments from all levels of government and is now in the first stages of implementation. Its successful implementation should be the first priority of all levels of government.

4. Economic growth and employment growth in the Ottawa-Hull regional market, especially in the Federal Government sector, has fallen off quite dramatically in recent years from levels recorded in the late 1960's and early 1970's. The change in prospects for growth in the local economy has been recognized by TEIGA and in part by the Ottawa-Carleton Region. The TEIGA high population projection of 646,000 for 2001, versus the previous Regional projection of 1 million (in its Official Plan) is a major change in the underlying Regional retail market. The latest forecast of the Region (taking average of High and Low growth scenarios) anticipates a population base in the Ottawa-Carleton Region by the turn of the century which is about one-quarter million people lower than the projection which was employed in developing the Regional Official Plan back in the early 1970's. This fact alone demands that the regional shopping centre designation at Eastgate, proposed under the earlier population growth expectations, must receive very careful scrutiny to determine if it is indeed needed at all anymore.

5. For the purposes of this study we have analyzed both projections by the Region (High 782,000 and Low 683,000) rather than use TEIGA's forecasts (High 646,000 and Low 620,000) since we wished to evaluate the retail space needs in the market under what we would consider to be the most optimistic conditions. If the centre at Eastgate cannot be justified under the higher growth scenarios of the Region then it cannot be justified on any lower population growth.

6. The Ottawa CBD today has 18% of the department store space in the regional market but captures only 14% of regional department store sales. Similarly, in the case of specialty DSTM facilities, the CBD's share of space is about 29% but the share of regional sales is only 20.0%. If unchecked this unequal drawing power or attraction of the CBD's existing DSTM inventory compared with the rest of the regional

market is cause for serious concern about the future strength and vitality of the retail component in the CBD.

7. To achieve an effective revitalization of CBD retailing, it is estimated that the CBD's composite share of the regional DSTM market will need to rise to around 25% compared with the current share of 17.7%. Seen in terms of the 27% share which the CBD enjoyed only ten years ago, the projected future share of 25% is considered to be both reasonable and attainable under the right circumstances.

   Consistent with the future role required of the Ottawa CBD and this market share, the residual department store space demands identified for the CBD amount to 380,000 square feet by 1986, increasing to 660,000 square feet by the end of the century. Complementing the additional department store space demand, the residual nondepartment store or ancillary DSTM space needs in the Ottawa CBD are estimated at 365,000 square feet by 1986, rising to 700,000 square feet by the year 2000.

   The Rideau Centre Project, together with The Bay and Ogilvy's, propose the development of 360,000 square feet of department store space by 1983, and a further 160,000 square feet possibly as early as 1991. Complementing department store space in Rideau Centre will be 325,000 square feet of specialty DSTM space by 1983. The City has identified a potential for development of a further 500,000 square feet of retail space in the Rideau Area, the timing of which will depend on the success of Rideau Centre in revitalizing retail activity and the availability of tenants.

8. The Eastern Study Area is defined as a sub-set of the Ottawa-Hull regional market area having the following configuration:

   > Bounded on the north by the Ottawa River, on the west by the Rideau River, on the south-west and south by the Smythe Road/Alta Vista Parkway alignments and the southern boundaries of Cumberland and Clarence Townships, and on the east by the Russel/Prescott County boundaries.

9. The Eastern Study Area is the area from which the Rideau Centre and Rideau Area project must draw considerable support for their viability. We have determined that the Central Area share from the Eastern Study Area must be in the order of 26-27% to provide the support base for development of the Rideau Centre Project as proposed. It is also the area from which a regional shopping centre (containing a minimum of two department stores as anchor tenants) at the proposed Eastgate site (Queensway and Blair Road) must draw a major portion of its sales support. It is also the market arena in which the St. Laurent Shopping Centre and the Orleans Town Centre in the East Urban Community must also capture the major portion of their retail sales dollars.

10. In applying the residual technique of analysis to the Eastern Study Area market, the following results were found under the High growth scenario.

    a) The potential supply of additional approved and planned department store space, excluding the Eastgate proposal, exceeds residual demand beyond 1991 and even at the turn of the century the unsatisfied residual demand is not expected to reach 100,000 square feet.

    b) The potential supply of nondepartment store DSTM space, again excluding the Eastgate proposal, is greater than residual demand beyond 1991 and by the year 2001 the unsatisfied residual demand is expected to be less than 50,000 square feet.

    Employing the Low growth scenario, the need for a regional centre at Eastgate is deferred even further into the future:

    c) The potential supply of additional approved and planned department store space, excluding the Eastgate proposal, exceeds residual demand beyond 1996. Even at the turn of the century the unsatisfied residual demand is estimated at 25,000 square feet which is only about a quarter of the space required by a single traditional department store tenant.

    d) The potential supply of nondepartment store DSTM space, excluding the Eastgate proposal, is greater than residual demand beyond the turn of the century.

11. A true regional shopping centre at Eastgate would contain at least two traditional type department stores occupying some 240,000 square feet of space complemented by ancillary or specialty DSTM space totalling 160,000 square feet. A review of existing and likely future representation of traditional department stores in the Ottawa CBD and the eastern market area suggests that Eastgate at best may secure only one traditional department store and one junior or discount department store as anchor tenants. In any event, measured against the results of the residual analysis conducted, the conclusion to be drawn is clearly that there is no apparent need for a regional type shopping centre at the Eastgate site before the turn of the century.

12. If notwithstanding the apparent lack of market need a regional shopping centre does proceed at the Eastgate site, our detailed impact analysis reveals that two particularly important components of the retail structure in the Ottawa-Hull Economic Area and more specifically in the Ottawa-Carleton Region will be seriously impacted and jeopardized.

    a) The first component which would be seriously impacted is the Ottawa Central Area and particularly the Rideau Area Project and its Rideau Centre component. The Eastgate proposal would compete directly for an important segment of the market needed by Rideau Centre and the Rideau Area. The Eastgate proposal will serve to

reduce the performance of DSTM facilities in the Central Area below target levels which afford retail operators a normal return on their entrepreneurial effort and investment. This would mean that private sector developers of the Rideau Centre Project would face the prospect of not earning an adequate return on their investment and may elect simply not to proceed with the project. For the existing CBD merchants, in particular those in the Rideau Area, one of the principal objectives of the Rideau Area Project, the upgrading of the existing sales performance and retail structure in the Rideau Area will have failed.

b) The other important component of the regional retail structure affected by the Eastgate proposal will be the Orleans Town Centre. The development of a regional shopping centre at the Eastgate site in our opinion poses a real threat to the emergence of a timely and viable retail component in the Town Centre. The designation of the Eastern Urban Community and its population target have been approved by the Ontario Municipal Board. Responsible regional planning would seem to us to dictate that the residents of the Eastern Urban Community be served by local facilities to the highest degree possible consistent with a rational regional hierarchy of retail nodes.

TOURAINE
WEST
HULL
LUCERNE
CBD
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Mile
NUMBERS REFER TO
DEPARTMENT STORE
INVENTORY
* SITE OF PROPOSED
EASTGATE S.C.

SECTION I

THE OTTAWA CENTRAL BUSINESS DISTRICT

The Ottawa CBD in this study comprises two census tracts (numbers 48 and 54) as delineated by Statistics Canada for the purposes of collecting and reporting socio-economic data within the Ottawa-Hull Census Metropolitan Area (CMA). The location of the CBD in the context of the Ottawa-Hull Area, the City of Ottawa, its general configuration, and its location relative to the proposed Eastgate regional shopping centre site are shown on the facing map.

The Ottawa CBD as the heart of the nation's capital city performs a dual role. It is the primary seat of government activity in the land which is symbolized by Parliament Hill and the supporting presence of extensive federal government offices. It is also the central business district for a large metropolitan region and as such contains a diversity of economic activities and land uses. Without a doubt there is a high degree of mutual support between these two roles and amongst the various economic activities found in the CBD. Moreover, because of its capital city status, the physical image of the Ottawa CBD assumes added importance. Preservation and enhancement of an environment which fosters pride in the nation's capital will serve to underwrite the economic viability of the central business district.

The retail trade and services component of the Ottawa CBD is binodal infunction, a characteristic which reflects the presence of the Rideau Canal and the historical development of retail activity on both sides of the Canal. The western sector today contains one small department store operated by Simpsons together with a major portion of the higher fashion oriented specialty stores in the CBD. The eastern sector by comparison today contains three department stores (The Bay, Ogilvies, and Caplans) and other specialty retail outlets which have a distinct 'mass merchandising' appeal and image.

A simple way of viewing the current retail role of the Ottawa CBD is to compare the CBD inventory of DSTM space with the total regional market inventory. Limiting the comparison to department store space only in the first instance, we have estimated that the CBD contains approximately 18% of all the department store space in the entire regional market. In respect of nondepartment store or specialty DSTM, the CBD has at most 29% of the regional market inventory. Combining department store and nondepartment store DSTM estimates, the Ottawa CBD's share of DSTM space throughout the regional market is about 23%.

Assessing the role of the CBD on the basis of its share of the regional market space inventory is, however, a simplistic approach which assumes that all spaces are equal in their drawing power and ability to attract consumer's dollars. They clearly are not all equal. Our investigations indicate that the CBD's share of available department store dollars in the

regional market is currently only 14% compared with its 18% share of space. Similarly, with respect to nondepartment store DSTM the share of regional dollars or sales is 20% compared with a space share close to 29%. The unequal drawing power or attraction of the existing DSTM inventory in the CBD as reflected in these data compared with the balance of the regional market is a sign which has to raise concern about the future of the retail component within the CBD. That concern becomes even more alarming when it is realized that the role of the CBD as exemplified in its share of the regional DSTM market has been reduced by more than 50% in the short space of a decade and a half. We present below in Table 1 data which reflects the performance of the Ottawa CBD in the context of the regional market since 1966. The data for 1966, 1971 and 1978 are extracted from a market study report prepared by the Rideau Area Project Team in 1979. The 1980 data are from our own research in 1980.

TABLE 1

OTTAWA CBD SHARE OF REGIONAL DSTM SALES ($ Millions)

	1966[1]		1971[1]		1978[1]		1980[2]	
	Sales	Share %	Sales	Share %	Sales	Share %	Sales[3]	Share %
Ottawa CBD	$95.4	41.0	$111.5	27.4	$167.2	21.3	$168.5	17.7
Economic Area	$237.8	100.0	$406.6	100.0	$784.4	100.0	$952.7	100.0

SOURCE:
1) Data for 1966, 1971 and 1978 extracted from Table 10 - Market Study: Downtown Ottawa prepared by Rideau Area Project Team, April 1979.
2) Larry Smith & Associates Ltd. estimates based on data obtained from Statistics Canada and a consumer survey conducted in August 1980 covering the Ottawa-Hull Economic Area.
3) Excludes TBA sales data.

The decline in the Ottawa CBD market share reflects a phenomenon observed in many urban markets across North America over the same time period. As the total regional market has grown over the years, the demand for additional facilities has been satisfied for the most part by the development of shopping centres (all sizes and types) in the suburbs while the

supply of facilities located in the CBD has remained relatively static. In these circumstances, without a simultaneous injection of new retail facilities in the CBD (of a scale and tenant mix similar to a major suburban shopping centre) and restrictions on the growth of suburban shopping centre development it is not surprising to find that the Ottawa CBD's share of the regional DSTM market has evinced a progressive decline. Outlying suburban retail facilities have captured an ever increasing share of the regional DSTM market to the point where today they account for an estimated 82% of all DSTM sales in the Region. The decline of the CBD will continue into the future unless concerted action is taken to reverse the natural trend of market forces and restore a proper balance in the market by revitalizing the Central Area and controlling future suburban developments. Restoration of the proper balance between the Central Area and the suburbs cannot be achieved by simply placing new facilities in the Central Area. It requires a simultaneous control on future suburban projects in order that their aggregate share of the DSTM market does not impinge on the market support required for the CBD. A residual analysis approach to the issue serves to quantify the space which should be developed in both the CBD and the suburbs to achieve the desired balance in the retail structure.

The erosion of the CBD's retail role and the need for revitalization were recognized well over a decade ago. In the Ottawa Central Area Study, 1969 (prepared for City of Ottawa, National Capital Commission and Ontario Department of Highways) it was stated that the commercial interests of the Central Area plan for Ottawa prepared at that time demanded development of an efficient and attractive central business district for the metropolitan area. To that end it was noted that "the greatest need for public action is in the Rideau Street retail area. It is imperative to the health of this retail district that the proposed Confederation Square Redevelopment Project be started as soon as possible. The department stores and other major retailers in this area need to make major investments in their facilities in order to maintain their position in metropolitan retailing. These investments are not likely to be made until this project is definitely under way" (1. The Central Area Study also stated unequivocally that "Downtown Ottawa needs additional department store capabilities and Rideau Street is the logical location where new facilities could be physically tied in with existing facilities. The new public projects could provide the necessary sites and lay the framework for developing the strongest shoppers-goods centre in the metropolitan area".(2

The Central Area Plan and the Confederation Square Redevelopment Project of 1969 have not been implemented as envisaged, and we have noted that in the decade which ensued the CBD's role within the regional DSTM market has suffered substantial and continuous erosion. The need for revitalizing retailing in the Ottawa CBD and in particular in the eastern sector of the CBD around Rideau Street is if nothing else more pressing today than it was twelve years ago. The formal commitment by all levels of government last May to a new plan of action known as the Rideau Area Project suggests that at last the need for a substantial revitalization effort in the CBD is about to be met.

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1) Ottawa Central Area Study 1969, Page 18-19.
2) Ibid, Page 19.

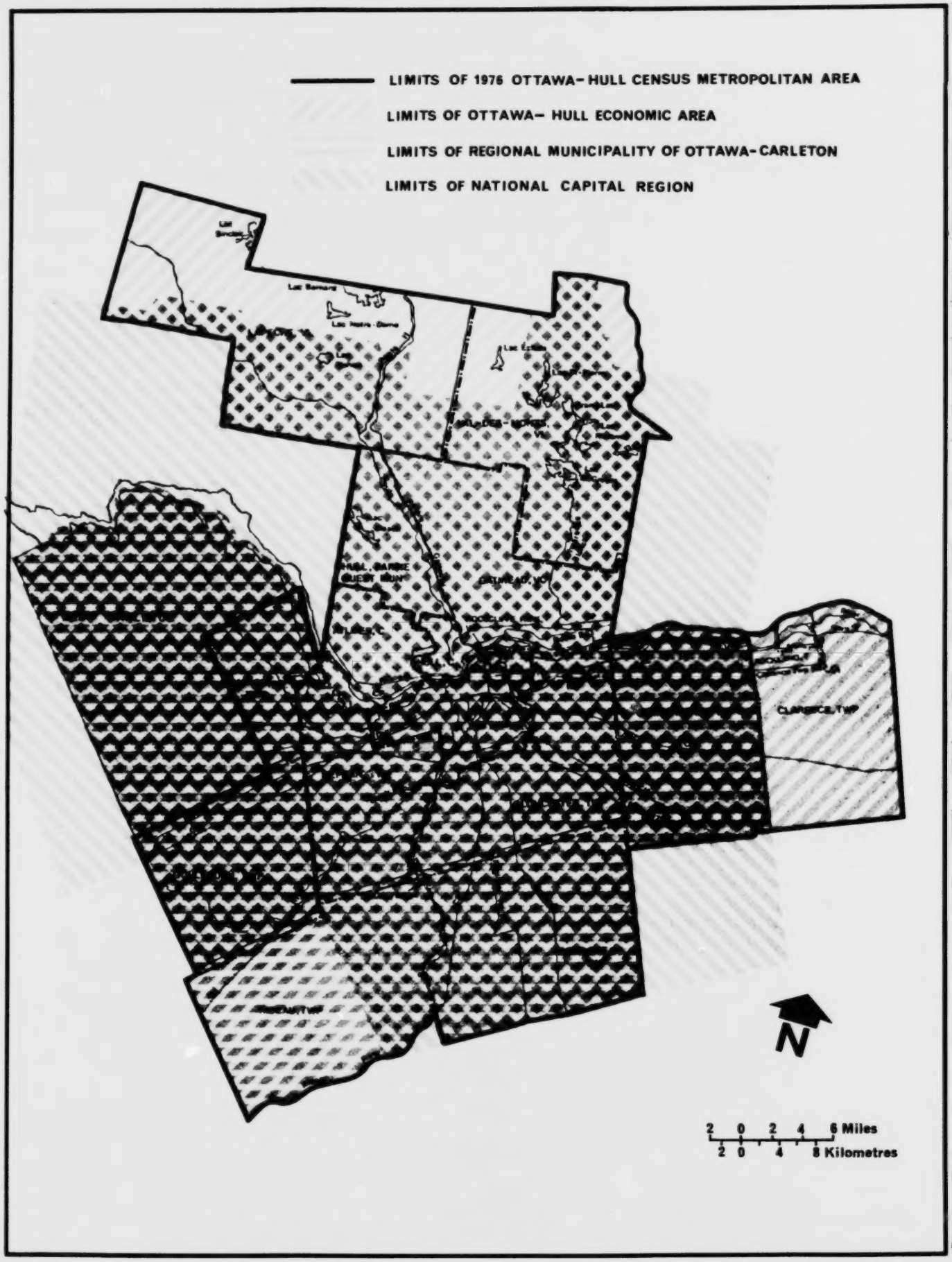
The Rideau Area Project has two separate yet inter-dependent components. The Rideau Centre Project, referred to already in the introduction, includes a climate controlled retail centre with Eaton's as a major tenant, a 500 room hotel, a convention centre and a Federal Government office building. The Rideau Area Project, however, extends beyond the site of Rideau Centre; it encompasses the area on the east side of the Canal as far east as King Edward Avenue between St. Patrick Street on the north and the MacKenzie King Bridge alignment on the south. Within that area major road, sidewalk and utility replacements and improvements are scheduled, including the creation of a transit mall on Rideau Street between Sussex Drive and Walker Street in order to improve the retailing climate and to encourage additional new retail developments in this area. The transit mall will effectively remove automobile and truck traffic from Rideau Street. The program also calls for provision of improved conditions for pedestrian movement - the closing of three one-block streets off Rideau Street creating pedestrian ways, more landscaping, seating areas, etc.

The importance attached to the Rideau Area Project by the various participants can be gained by a review of their respective financial commitments to date. The Federal Government we understand have committed cash funds totalling $24 million, this in addition to their landholdings. The Provincial Government of Ontario has committed some $14-$15 million - about $10 million will be contribution to development of the Convention Centre, a little over $3 million will be in the form of subsidies for road improvements, and $1.0 million is set aside for sewer/water projects. The City of Ottawa's contribution is around $6 million. The Regional Municipality of Ottawa-Carleton will be issuing debentures totalling $15 to $16 million as its contribution to financing construction of the Convention Centre. Last but by no means least, the developers of Rideau Centre will be required to make an investment of about $180 million in the construction of the project.

Conclusion

The Ottawa CBD today is capturing only some 17% of the available regional DSTM market potential, less than half the share of the market it enjoyed only a scant 14 years ago. That it is in need of retail revitalization has been recognized for more than a decade. The logical locus for concerted revitalization action is in the eastern sector of the CBD in the Rideau Street area. The Rideau Area Project with its Rideau Centre component is just such a revitalization program which has received support and financial commitments from all levels of government and is now finally in the first stages of implementation.

The Rideau Area Project if it is to succeed in revitalizing the CBD will require a certain measure of market support. The total market, however, is finite. The amount of sales support required for the Central Area and the implications for additional suburban shopping development in the Eastern Study Area are addressed in the balance of this report.


LIMITS OF 1976 OTTAWA- HULL CENSUS METROPOLITAN AREA
LIMITS OF OTTAWA- HULL ECONOMIC AREA
LIMITS OF REGIONAL MUNICIPALITY OF OTTAWA-CARLETON
LIMITS OF NATIONAL CAPITAL REGION
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2 0 2 4 6 Miles
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SECTION II

THE OTTAWA-HULL ECONOMIC AREA AND THE EASTERN STUDY AREA

The Rideau Centre site we have noted is in the CBD and is therefore inextricably bound up with the future strength of the CBD as a retail node. If one wishes to measure the market support for the Rideau Centre Project one is required first of all to measure the market support base for the Ottawa CBD at large as a retail node. The CBD of any community regardless of size is the heart of that community and reflects the character and history of the people who make up the community. It typically contains the largest concentration of mixed uses and specialist activities to be found anywhere in the community. The people whose needs are served by facilities in the CBD are drawn not only from within the CBD itself or from immediately surrounding residential neighbourhoods but from all areas of the community, and in many instances even beyond the urban limits from surrounding rural areas which look to the urban area for many goods and services. In order to measure the strength of the CBD as a retail node, and the future demand for retail merchandise and hence the support for additional retail facilities, it is imperative that the market area served by the CBD be properly defined at the outset. Only by defining the market framework within which the CBD operates can one correctly measure its current role in that market and obtain an understanding of the role that the CBD could and should play in the future.

Statistics Canada has defined the main labour market area of an urbanized core (or continuous built-up area) having 100,000 or more population as a Census Metropolitan Area (CMA). Usually CMA's are known or identified by the name of the largest city within their limits. They contain whole municipalities (or census subdivisions) which are either 1) completely or partly inside the urbanized core or 2) have at least 40% of their employed labour force working in the urbanized core or conversely at least 25% of the employed labour force working in the municipality resides in the urbanized core. As defined, CMA's are essentially labour force market areas and encompass for the most part those residents and workers living and working in a regional market framework with a common urbanized core and central area focus. In our experience as retail development consultants we have found the CMA area as defined by Statistics Canada in most instances to be a useful initial indicator of the regional retail market limits within which the CBD of the dominant city operates.

In this study we have examined the geographical limits of the Ottawa-Hull CMA as defined by Statistics Canada in the 1976 Census and concluded that they be taken to encompass and adequately reflect the regional retail market area with but one modification: The Township of West Carleton should be added to complete the definition of the regional market area.

The regional market area comprising the Ottawa-Hull CMA plus the Township of West Carleton has been defined for the purpose of this study as the Ottawa-Hull Economic Area, thereby we trust suitably distinguishing it from other geographic definitions such as the CMA, the Ottawa-Carleton Region and the National Capital Commission (N.C.C.) Area.

On the map opposite, we have outlined the boundaries of the Ottawa-Hull Economic Area as defined and identified its constituent municipalities. As implied in the name, the regional market extends to both sides of the Ottawa River into Quebec and Ontario. We have also indicated on the map the respective boundaries of the Ottawa-Hull CMA, the Ottawa-Carleton Region, and the N.C.C. area to assist the reader in distinguishing the geographic limits of these various areal units as well as appreciate the extent to which they overlap.

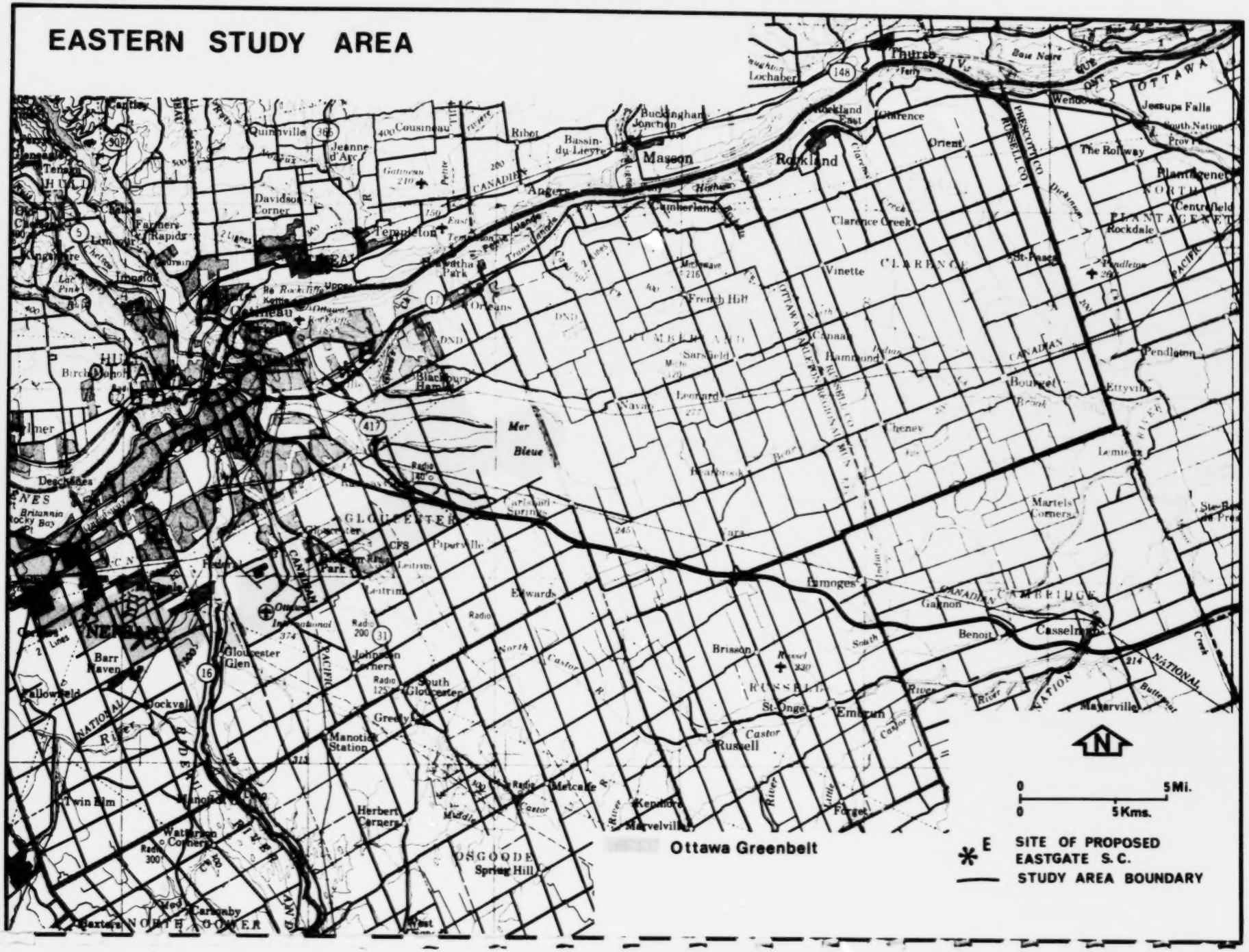
The Eastern Study Area

The proposed site for the Eastgate regional shopping centre is at the Blair Road and Queensway interchange. It is located immediately bayond the eastern limits of the City of Ottawa in the Township of Gloucester. It is situated virtually on the eastern fringe of the urban area contained within the greenbelt which has been included in the Regional Official Plan for the Ottawa-Carleton Region. Further east of the Eastgate site, along the Queensway/Highway 17 route and on the other side of the greenbelt one finds the Eastern Urban Community with its development focus centred around the Orleans Community.

In order to evaluate the need for the Eastgate site as a regional shopping centre from a market standpoint it is necessary to identify the section of the Ottawa-Hull Economic Area within which it can be expected to operate. As with any shopping centre, the geographic area of influence will depend on a number of factors such as the size, type and character of the proposed retail development, natural or man-made barriers such as rivers or railway lines which may inhibit the movement of population, regional and local access patterns and driving times, as well as the strength and location of competitive retail facilities, particularly those located or proposed in the CBD and in other major regional shopping centres.

The market influence attributable to a major retail development proposal such as Eastgate can be expected to extend over a wide area, beyond any precise boundaries that could be drawn. Experience dictates, however, that for purposes of making reliable market need and support evaluations, attention will have to be focused on a rather well defined area. In general, the area should be so defined as to encompass the geographical area from which the project could normally expect to derive the major portion of its sales volume, typically between 80% and 95%. By focusing the market analysis upon such a defined area, specific population, income and expenditure growth trends, as well as the most important competitive influences can be identified and measured, and the market opportunities for new stores can be more realistically assessed.

EASTERN STUDY AREA



EASTERN STUDY AREA

The area indicated on the facing map and labelled the Eastern Study Area (ESA) shows that part of the Ottawa-Hull Economic Area in which a regional shopping centre at the Eastgate site containing at least two department stores as anchor tenants can be expected to exert a measurable and continuing influence on residents' shopping patterns. It is also the market arena in which other major retail nodes are or will be competing to a greater or lesser extent in the future, in particular the Ottawa CBD, the St. Laurent Shopping Centre (at St. Laurent Blvd. and the Queensway) and the Orleans Town Centre in the Eastern Urban Community. The northern limit of the Eastern Study Area is taken as the Ottawa River reflecting the constraints on easy accessibility back and forth across the River. The western boundary of the Eastern Study Area is formed by the Rideau River and recognizes as well the competitive influence of the Ottawa CBD. The south-west boundary of the E.S.A. follows the Smyth Road and Alta Vista Parkway alignments proceeding from there south easterly to take in the southern boundaries of Cumberland and Clarence Townships and then north westerly along the boundary between Russell and Prescott Counties.

It will be appreciated that the Eastern Study Area as defined is a sub-set of the Ottawa-Hull Economic Area. As such, residents of the Eastern Study Area fall within the market area of influence of the Ottawa CBD, and particularly the Rideau Street Area. Residents of the Eastern Study Area shop now in the Ottawa CBD. If the Ottawa CBD is to fulfil its proper role in the regional hierarchy of retail nodes within the Ottawa-Hull Economic Area then it will require appropriate levels of support from all parts of the regional market, including the Eastern Study Area.

The analysis which follows in the balance of this report looks first to establishing the parameters of the regional market and the role of the Ottawa CBD in that market. That leads to identification of the retail development needs in the CBD consistent with its regional role and provides the framework for evaluating the merits of the Rideau Centre Project (retail component) as proposed from a market support standpoint. With the regional market framework established, attention is then focused on the Eastern Study Area and the support which can be expected and should flow to the Ottawa CBD in the years ahead. What Eastern Study Area residents don't spend in the Ottawa CBD will be spent for the most part within the Eastern Study Area itself. It is at that point in the analysis that we bring together the data required to examine the need for a regional shopping centre at the Eastgate site having regard for known applications for expansion of existing facilities and the development of an appropriate retail component in the designated Orleans Town Centre. The last two sections of the report address the issue of impact of the Eastgate proposal should it for any reason whatever be approved and permitted to develop within the next 16 years.

SECTION III

ECONOMIC BASE AND POPULATION

One of the most important factors in determining the retail potential available within a given market area is the number of people who will be residing within its delineated boundaries in future years. Historical trends in population growth as well as the economic development potential of an area are the principal determinants of probable future population levels.

Economic Base

The economic base of an area usually provides adequate guidelines to probable future population growth trends. Because the Eastern Study Area is part of the Ottawa-Hull Economic Area, we have not undertaken a separate analysis of its economic base but have rather directed our initial analysis in this study towards the economic base of Ottawa-Hull in order to determine its existing characteristics and the prospects for expansion.

Any discussion of the economic base of the Ottawa-Hull area must primarily revolve around the significant role played by the federal government. Its presence, to a large extent, accounts for the size, stability and prosperity of the Ottawa-Hull labour force, with any alterations to the size or structure of the government having an intense rippling effect throughout the economy of the area.

Approximately one-third of all the employment of Ottawa-Hull is directly provided by the federal government, with many other jobs existing in firms which provide services and materials for it. A recent sample survey conducted in the area found that 70.0% of the firms in the Ottawa-Hull area sold over two-thirds of their products within the Ottawa area. In 1951, there were 30,069 federal employees in the National Capital Region and in 1961 there were 46,095(1. By 1974, the number of federal employees in the NCR was estimated at about 100,000. This historic growth in the federal civil service had direct effects on the physical make-up of the Ottawa-Hull area (1. The City of Ottawa's downtown core experienced a "rebuilding" as office buildings were put up for government use and support industries and services. Ottawa-Hull housing starts increased at a faster rate than in any other major city in Canada, also attributable to the growth in government.

The impact of this dependence on a single "industry" may be best illustrated by the effects of the "freeze" placed on government employment in 1975. This decision has had far reaching effects on the demographic, economic and social composition of Ottawa-Hull. The high growth trends experienced during the beginning of the last decade, at one time projected to continue into future years, have not been realized, causing a drop in demand for many of the area's industries. Various projects announced for federal buildings and properties were cancelled as part of federal government economic measures. Another adjustment made to the federal presence was the decentralization policies of the federal government. Several federal departments have been moved from Ottawa-Hull, while many others have set up regional

1) Taken from material supplied by the Commercial & Industrial Development Corporation of Ottawa-Carleton.

TABLE 2

HISTORIC AND CURRENT POPULATION

	1971(1		1976(1		1980(2
OTTAWA-HULL ECONOMIC AREA	625,862		702,192		748,000
Periodic Growth		76,330		45,808	
Annual Growth		15,266		11,452	
ONTARIO PORTION ECONOMIC AREA	480,169		530,245		558,500
Periodic Growth		50,076		28,255	
Annual Growth		10,015		7,064	
OTTAWA-CARLETON REGION	471,931		520,533		548,000
Periodic Growth		48,602		27,467	
Annual Growth		9,720		6,867	
QUEBEC PORTION ECONOMIC AREA	145,693		171,947		189,500
Periodic Growth		26,254		17,553	
Annual Growth		5,251		4,388	
EASTERN STUDY AREA	128,232		151,646		163,500
Periodic Growth		23,414		11,854	
Annual Growth		4,683		2,964	
% Ottawa-Hull Economic Area	20.49		21.60		21.86
% Economic Area Growth		30.67		25.88	

1) Statistics Canada, Census of Canada, 1971, 1976.
2) Larry Smith & Associates Ltd. estimates derived from recent trends in assessment statistics.

offices across Canada. This policy does not appear to be actively pursued at the present time on a macro-scale, however, the micro-scale decentralization to the Outaouais Regional Community has certainly affected government impact in the City of Ottawa proper. Environment Canada, Labour Canada and Consumer and Corporate Affairs have all moved to Hull, creating surplus office space in the City of Ottawa core.

Although the region's Official Plan predicts that by the time the Regional Municipality of Ottawa-Carleton reaches a population of one million there will be 450,000 jobs in the RMOC, of which 109,000 are estimated to be federal government jobs, the federal government's presence is seen as decreasing in scope. The same Official Plan predicts that non-federal employment would increase more rapidly than federal employment. Between 1962 and 1968, for every one federal job created, 3.12 non-federal jobs came into being.(1 A major reason for this growth in the private sector is the particular "mix" of industries in Ottawa-Hull. Medium and high technology firms have experienced the greatest growth trends in the recent past. Industries which benefit from contacts with universities, libraries and other centres of knowledge will very likely continue to locate in Ottawa-Hull, creating substantial growth in these research oriented and light manufacturing fields (computers, elecontronics etc).

Another reason for the area's appeal to high technology firms is the profusion of resources available, again due to the presence of the federal government. The high technology industry relies heavily on liaison with the federal government for technical support, for funding through industrial incentive programmes, for research and development contracts and for assistance dealing with issues such as customs, taxation, export and licensing. The National Research Council, Agriculture Canada, Energy Mines & Resources and the Department of Communications all operate major labs. The federal government, through such agencies, is the single biggest source of new product ideas and the largest user of computers in the country, employing over 8,000 people in EDP related work. (1

In other sectors of the local economy, however, the Ottawa-Hull area is generally under-represented when compared to other parts of the province or country. Presently, in the RMOC, primary employment makes up only a small proportion of the labour force at 1.5%, nearly all of this in farming related activity. In Ottawa-Carleton the number of farms has been declining, while the number of farmers reporting off-farm work has increased. The economy of Ottawa-Hull is also not known for its strength in the manufacturing sector. For a region with more than one-half million population, Ottawa-Hull has

1) Ibid, Page 19

remarkably few industries. The total proportion of people working in manufacturing establishments was only 6.4% of the total labour force in 1971.[1] Ottawa-Hull's proportion is the second lowest of Ontario's 55 regions.

In summary, it is clear that with the exception of some recent developments among local "high technology" industries, job growth and with it economic growth - especially in the federal government sector of the local economy - have slowed substantially in recent years. Current government hiring and decentralization policies suggest no early reversal in this trend can be expected and the impact of the continuation of this policy will extend throughout every sector of the Ottawa-Hull economy. Future economic growth prospects of this nature suggest a much more limited short to long term local population growth potential than was envisaged only a few short years ago.

Historic and Current Population

Historic population data relating to the Ottawa-Hull Economic Area as well as a number of its principal component parts including, in particular, the Eastern Study Area are indicated in Table 2 facing. For each of the separate geographical areas identified, we have indicated the historic population levels in the census years 1971 and 1976 as well as the estimated 1980 population. The 1980 population levels by area have been based on an evaluation of recent growth trends as evidenced by Assessment population statistics, as well as estimates provided by local planning officials.

As shown on Table 2, population growth in the Ottawa-Hull Economic Area from 1971 to 1980 was substantial, increasing from 625,862 persons in 1971 to some 748,000 persons in 1980 for an average increase of some 13,571 persons per year. It should be noted, however, that some 62.5% of this growth took place over the first five years when annual growth averaged 15,266 persons per year. Over the remaining four year period, annual growth dropped to an average of some 11,452 persons per year thereby reflecting the slowdown in the local economy as described in the previous section on economic base.

The average share of Economic Area growth experienced since 1971 within its Ontario Portion totalled some 65.6% between 1971 and 1976 and about 61.7% from 1976 to 1980. Conversely, the Quebec Portion of the Economic Area has experienced growth shares averaging 34.4% and 38.3% during the 1971 to 1976 and 1976 to 1980 periods respectively.

Within the Ontario Portion of the Economic Area, the Ottawa-Carleton Region has since 1971 accounted for some 98.0% of its population. As shown in Table 2, annual population growth in the Ottawa-Carleton Region averaged some 9,720 persons per year between 1971 and 1976 before dropping to an average annual increase of only 6,867 persons over the four year period to 1980.

Expressed in terms of their average annual rates of growth, both the Ontario Portion of the Economic Area and the RMOC within it have experienced population increases averaging 1.8% per year over the nine year period since 1971.

On the other hand, within the Eastern Study Area (a component of the Economic Area Ontario Portion), average population growth has been considerably more dramatic averaging about 3.1% per year. Between 1971 and 1980, the population of the Eastern Study Area increased by some 35,268 persons from 128,232 persons to about 163,500 persons for an average annual increase of 3,919 persons. It should be noted that only about one third of this growth has taken place over the four years since 1976. As may be seen at the bottom of Table 2, the ESA has increased its share of the total Ottawa-Hull Economic Area from 20.5% in 1971 to some 21.9% in 1980. As for its share of total Economic Area growth since 1971, the ESA attracted about 30.7% of total regional growth over the 1971-1976 time interval dropping to some 25.9% of total regional growth since 1976.

Given the trends outlined above and the somewhat limited nature of local economic growth prospects as described in our earlier section on the region's economic base, we would anticipate that in future years growth in the Ottawa-Hull Economic Area should continue but at a declining rate.

Projected Population

The population projections adopted for use in this analysis are shown in Table 3. The years selected for analysis reflect the expectation that 1983 would be the opening year of the Rideau Centre Redevelopment Project in Ottawa's Central Area and that by 1986 that project should have settled into the market. The projections for 1991 and beyond have been included to examine the medium and longer term potentials respectively for stores in the Ottawa-Hull Economic Area in general, and in both the Ottawa Central Area and the Eastern Study Area in particular.

The prospects for future employment growth within the Ottawa-Hull Economic Area will obviously have a significant bearing on population growth within the urban region as well. The implications of a number of different employment growth scenarios are reflected in numerous projections which have been produced in recent years either by Federal, Provincial or local government departments and agencies themselves or by their consultants. We have examined many of these projections, evaluating them in light of the region's current economic base characteristics and historic trends in Census and assessed population data as well as the apparent prospects for expansion in the economic base of the Ottawa-Hull Economic Area.

Based on our review of these various projections, there are three forecasts which in our opinion warrant some discussion. These are the projection(s) developed by the Ontario Ministry of Treasury and Economics (TEIGA) in 1978 relating to the Ottawa-Carleton Region and the two preliminary alternative scenarios of population growth and allocation prepared by the RMOC Planning Department in the late summer of 1980 for the same area.

TABLE 3

CURRENT AND PROJECTED POPULATION - HIGH

	1980	1983	1986	1991	1996	2001
OTTAWA-HULL ECONOMIC AREA	748,000	796,750	845,000	922,000	996,000	1,074,000
Periodic Growth		48,750	48,250	77,000	74,000	78,000
Annual Growth		16,250	16,083	15,400	14,800	15,600
ONTARIO PORTION ECONOMIC AREA	558,500	594,300	630,000	686,000	740,000	797,000
Periodic Growth		35,800	35,700	56,000	54,000	57,000
Annual Growth		11,933	11,900	11,200	10,800	11,400
OTTAWA-CARLETON REGION	548,000	583,000	618,000	673,000	726,000	782,000
Periodic Growth		35,000	35,000	55,000	53,000	56,000
Annual Growth		11,667	11,667	11,000	10,600	11,200
QUEBEC PORTION ECONOMIC AREA	189,500	202,450	215,000	236,000	256,000	277,000
Periodic Growth		12,950	12,550	21,000	20,000	21,000
Annual Growth		4,317	4,183	4,200	4,000	4,200
EASTERN STUDY AREA	163,500	176,000	188,000	210,000	228,000	237,000
Periodic Growth		12,500	12,000	22,000	18,000	9,000
Annual Growth		4,167	4,000	4,400	3,600	1,800
% Of Economic Area	21.86%	22.09%	22.25%	22.78%	22.89%	22.07%
% Of Economic Area Growth:		25.64%	24.87%	28.57%	24.32%	11.54%

SOURCE: Larry Smith & Associates Ltd. and incorporating in full the Scenario 'B' projections prepared for the Regional Municipality of Ottawa-Carleton by the RMOC Planning Department in the Summer of 1980.

All three forecasts are significant in that they represent the most recent attempts at predicting regional employment growth (i.e. economic growth) prospects as reflected in various assumed rates of local in-migration. The TEIGA Projection is noteworthy in our opinion since it was specifically done for the Region by professional demographers utilizing the most recent data available and most advanced projection techniques. At the Provincial scale, this projection assumes low fertility, 30,000 net external migration per annum and an internal migration factor of 0.27% of Ontario population. Total annual net in-migration to the Region would average some 1,800 persons per year. By comparison, the two alternative growth scenarios prepared by the Ottawa-Carleton Planning Department assume average annual net in-migration of 4,000 (Scenario 'A') and 7,000 (Scenario 'B') persons respectively.

It is our opinion that the Regional planner's Scenario 'B' and probalby even their Scenario 'A' reflects an overly optimistic forecast of future growth potential. Of the three forecasts, the TEIGA growth scenario would appear to represent the most realistic portrayal of probable future RMOC population growth prospects.

Since in this market analysis we are dealing with an exercise in planning major components of the future regional retail structure, we have adopted the regional planners' Scenario 'B' as the main population projection, even though in our opinion it is overly optimistic. If the case for a regional centre at Eastgate remains not proven under this High growth assumption, it cannot be justified if population growth is any lower.

To the population totals forecast under Scenario 'B' for the Ottawa-Carleton Region we have added our own estimates of future population growth in Clarence Township and the Town of Rockland in order to derive projections for the Ontario Portion of the Ottawa-Hull Economic Area as a whole. The projections adopted for the Quebec Portion of the Ottawa-Hull Economic Area are also our own estimates derived from a review of numerous available projections prepared by various government agencies,as well as an evaluation of historic population growth trends.

As shown in Table 3, total population in the Ottawa-Hull Economic Area is projected to rise from a current 1980 base of 748,000 to 1,074,000 by the year 2001. Included in that Economic Area horizon year projection of a million persons is a figure of some 780,000 residents in the Ottawa-Carleton Region. In 1974 when the Ottawa-Carleton Region Official Plan was adopted by Regional Council proposing the Eastgate site for future regional shopping centre development, the population forecast in support of that Regional Official Plan envisaged 1 million residents in the Ottawa-Carleton Region alone by the turn of the century. Changes in economic growth prospects since that Regional Plan was first developed have caused the Region to reduce their population forecast for the turn of the century by about one-quarter of a million people. Any population target change of that magnitude has to call into question the need for additional regional shopping centre facilities at the Eastgate site that may have been considered warranted in the early part of the 1970's when the Regional Official Plan was being formulated.

The projections for the Eastern Study Area presented in Table 3 reflect directly the Scenario 'B' High growth forecast as prepared by the RMOC Planning Department to which have been added our own estimates of probable future growth in the two eastern most geographical components of the ESA - namely the Township of Clarence and the Town of Rockland. The forecast calls for the ESA to increase by some 73,500 between 1980 and the turn of the century. Effectively, the ESA is projected to attract an average 26.0% share of total Economic Area population growth between 1980 and 1986 decreasing to only an 11.5% share over the 1996-2001 time interval.

Projections for the Ottawa-Hull Economic Area employing the 'Low' growth scenario for the Ottawa-Carleton Region are presented for comparison purposes in the Appendix in Table A-1.

Conclusion

Economic growth and employment growth in the Ottawa-Hull regional market, especially the federal government sector, has fallen off quite dramatically in recent years from the levels recorded in the late 1960's and early 1970's. This change in the growth of the local economy has been recognized by the Ottawa-Carleton Region in the preparation of a new set of population projections for the Region which were put out in the summer of 1980. The latest forecasts of the Region anticipate a population base in the Ottawa-Carleton portion of the total regional market area of about three quarters of a million people by the turn of the century, a whole quarter of a million people less than the projection which was employed in developing the Regional Official Plan back in the early 1970's. Any additional regional shopping centre facilities designated under the earlier population growth expectations at the Eastgate site must receive very careful scrutiny in light of the new lower population growth forecast.

TABLE 4

PERSONAL PER CAPITA INCOME

YEAR	CANADA(1 INCOME	CANADA(1 % INCREASE	QUEBEC(1 INCOME	QUEBEC(1 % INCREASE	PROVINCE OF QUEBEC AS A % OF CANADA	ONTARIO (1 INCOME	ONTARIO (1 % INCREASE	PROVINCE OF ONTARIO AS A % OF CANADA
1961	$1,651	-	$1,488	-	90.1	$1,954	-	118.4
1962	$1,764	6.8	$1,573	5.7	89.2	$2,062	5.5	116.9
1963	$1,840	4.3	$1,630	3.6	88.6	$2,156	4.6	117.2
1964	$1,933	5.1	$1,745	7.1	90.3	$2,267	5.1	117.3
1965	$2,091	8.2	$1,880	7.7	89.9	$2,436	7.5	116.5
1966	$2,303	10.1	$2,055	9.3	89.2	$2,680	10.0	116.4
1967	$2,482	7.8	$2,247	9.3	90.5	$2,884	7.6	116.2
1968	$2,690	8.4	$2,394	6.5	89.0	$3,146	9.1	117.0
1969	$2,943	9.4	$2,601	8.6	88.4	$3,470	10.3	117.9
1970	$3,129	6.3	$2,774	6.7	88.7	$3,705	6.8	118.4
1971	$3,435	9.8	$3,047	9.8	88.7	$4,020	8.5	117.0
1972	$3,842	11.8	$3,440	12.9	89.5	$4,459	10.9	116.1
1973	$4,438	15.5	$3,959	15.1	89.2	$5,043	13.1	113.6
1974	$5,226	17.8	$4,733	19.6	90.6	$5,843	15.9	111.8
1975	$6,001	14.8	$5,470	15.6	91.1	$6,596	12.9	109.9
1976	$6,758	12.6	$6,291	15.0	93.1	$7,378	11.9	109.2
1977	$7,361	9.0	$6,857	9.0	93.2	$8,046	9.1	109.3
1978	$8,049	9.3	$7,628	11.2	94.8	$8,735	8.6	108.5
1979	$8,920	10.8	$8,475	11.1	95.0	$9,620	10.1	108.0
1980	$9,890	10.9	$9,425	11.2	95.3	$10,580	10.0	107.0

	1980				
	INCOME(2	INDEX(3	INDEX(3	INDEX(3	INDEX(3
Province of Quebec	$ 9,425	100.0			
Province of Ontario	$10,580	112.3	100.0		
Ottawa-Hull Economic Area	$11,935	126.6	112.8	100.0	
Quebec Portion Economic Area	$10,175	108.0	96.2	85.3	
Ontario Portion Economic Area	$12,535	133.0	118.5	105.0	100.0
Eastern Study Area	$11,495	122.0	108.6	96.3	91.7

SOURCE: Larry Smith & Associates Ltd.

1) Statistics Canada, National Income and Expenditure Accounts 1961-1978 (Publication 13-201) for the period 1961-1978 and Larry Smith & Associates Ltd. estimates based on National Income and Expenditure Accounts, Fourth Quarter, 1979 (Publication 13-001) for 1979 and 1980.
2) Rounded to the nearest $5.00.
3) Larry Smith & Associates Ltd. estimates based on Statistics Canada, Census of Canada 1971 and on Revenue Canada Taxation Statistics.

SECTION IV

PER CAPITA INCOME AND EXPENDITURE POTENTIAL

In addition to future population, per capita income and expenditure levels are of importance in the determination of future sales potential which will be available in the Economic Area at large and hence to retail facilities in the Ottawa CBD and in the Eastern Study Area in particular. This section of the report comprises an analysis and discussion of the income and expenditure relationships in the Ottawa-Hull Economic Area, its Quebec and Ontario components, and the Eastern Study Area.

It has been found, based on numerous consumer studies for broad geographic areas, as well as for smaller sub-sectors, e.g. metropolitan areas or specific trade areas of retail developments, that average per capita income levels represent a reasonable guide to the expenditure habits of residents in a given area. Although cultural, climatic or other factors affect buying preferences to some extent, population groupings in similar income characteristics tend to exhibit similar expenditure habits for broad merchandise categories.

Per Capita Income

Average personal per capita income for Canada and the Provinces of Quebec and Ontario have been indicated in Table 4 opposite on a yearly basis between 1961 and 1980. Income relationships between the Province of Quebec and Canada and between the Province of Ontario and Canada are also summarized in the table. The average Canadian per capita income has increased from $1,651 in 1961 to approximately $9,890 in 1980. Similarly, the average per capita income of Quebec residents has also increased from $1,488 in 1961 to $9,425 in 1980, while in Ontario average per capita income has increased from $1,954 in 1961 to $10,580 in 1980.

In general, during the period 1961-1980, the Quebec per capita income increased at a somehwhat faster rate than that for Canada as a whole. As a result, the Quebec per capita income which was some 9.9% below that applicable to Canada in 1961 has shown a relative increase and is currently estimated at only 4.7% below the national average. In contrast, during the same period, the Ontario per capita income increased at a somewhat slower rate than that for Canada as a whole. As a result, the Ontario per capita income which was 18.4% above that applicable to Canada in 1961 has shown a relative decrease and is currently estimated at only 7.0% above the national average.

In the lower portion of Table 4, the average personal per capita 1980 incomes for the Ottawa-Hull Economic Area, its Quebec and Ontario portions, and the Eastern Study Area have been indicated. There are no recent detailed statistics on per capita incomes for small areas such as the Quebec and Ontario components of the Ottawa-Hull Economic Area or the Eastern Study Area. The last

TABLE 5

PERSONAL PER CAPITA INCOME AND DSTM EXPENDITURES

	CANADA				QUEBEC				ONTARIO			
	1961(1	1966(1	1971(1	1980(2	1961(1	1966(1	1971(1	1980(2	1961(1	1966(1	1971(1	1980(2
Average Income	$1,651	$2,303	$3,435	$9,890	$1,488	$2,055	$3,047	$9,425	$1,954	$2,680	$4,020	$10,580
DSTM Expenditures	$ 382	$ 473	$ 633	$1,435	$ 333	$ 417	$ 569	$1,395	$ 413	$ 505	$ 678	$ 1,410
% Of Income	23.1%	20.5%	18.4%	14.5%	22.4%	20.3%	18.7%	14.8%	21.1%	18.8%	16.9%	13.3%

	1980		
	INCOME(3	DSTM EXPENDITURES(3	% OF INCOME
Province of Quebec	$ 9,425	$1,395	14.8%
Province of Ontario	$10,580	$1,410	13.3%
Ottawa-Hull Economic Area	$11,935	$1,515	12.7%
Quebec Portion Economic Area	$10,175	$1,450	14.3%
Ontario Portion Economic Area	$12,535	$1,540	12.3%
Eastern Study Area	$11,495	$1,475	12.8%

SOURCE: Larry Smith & Associates Ltd.
1) Based on Statistics Canada, Census of Canada 1961, 1966, 1971.
2) Based on Statistics Canada Publication 63-005, Retail Trade.
3) Rounded to the nearest $5.00.

comprehensive data available is for 1970, published by Statistics Canada following the Census taken in 1971. Historical taxation statistics up to and including 1977 are available, however, for counties and selected urban areas and towns. Thus, the 1980 Economic Area income estimate and those relating to its constituent parts are based on the relationships with the Quebec and Ontario incomes for the corresponding portions of the Ottawa-Hull Economic Area population. That is, using the historical relationships between study areas' incomes and the averages for the two provinces as evidenced by the 1971 Census of Canada and the trends in the pertinent taxation statistics, we have estimated the average 1980 total personal income in the Ottawa-Hull Economic Area at approximately $11,935 per capita. Similarly, per capita income in its Quebec component is estimated at $10,175, approximately 8.0% above the Quebec provincial average. In the Ontario portion of the Economic Area, 1980 per capita income is estimated at $12,535 which is some 33.0% and 18.5% above the Quebec and Ontario provincial averages respectively. Finally, in similar fashion, the 1980 average per capita income in the Eastern Study Area has been estimated at $11,495 which is 8.6% above the Ontario provincial average but some 3.7% below the Economic Area average.

Per Capita Department Store Type Merchandise (DSTM) Expenditures

Department store type merchandise (DSTM) includes all types of merchandise sold in department stores and in specialty stores carrying similar merchandise. It does not include food store or liquor/beer/wine expenditures or expenditures which are of a service nature such as personal services, beauty or barber shop expenditures, cleaning or restaurant expenditures nor does it include home improvement centre retail expenditures.

DSTM facilities will form by far the largest portion of the retail component in the Rideau Centre Project, and would certainly be the raison d'etre of any true regional shopping centre which may be developed at the Eastgate site if planning approval is granted. This is why the principal emphasis in this analysis is on DSTM. Basing DSTM expenditures on Census information for 1961, 1966 and 1971 and on intercensal estimates published by Statistics Canada as well as recent changes in the income levels, the relationship between per capita income and DSTM expenditures is indicated in Table 5 for Canada, Quebec and Ontario. It will be noted that as incomes increase, DSTM expenditures increase as well, but at a reduced rate. Therefore, the percentage which DSTM sales represents of income tends to decline as incomes increase.

During the period 1961-1980, DSTM expenditure in Canada has increased from $382 to $1,435, although the share which this figure represents as a percent of income has decreased from 23.1% to 14.5%. Similar increases in the DSTM expenditure levels have taken place in Quebec and Ontario with corresponding decreases in their shares of average incomes. DSTM expenditures in Quebec increased from $333 to $1,395 during the period 1961-1980 and for Ontario from $413 to $1,410 during the same period. As indicated in the lower portion of Table 5, the 1980 DSTM level in the Ottawa-Hull Economic Area is estimated to average $1,515: $1,450 per person in the Quebec portion and

TABLE 6

DSTM POTENTIAL - HIGH ($MILLIONS)

	1980	1983	1986	1991	1996	2001
OTTAWA-HULL ECONOMIC AREA - HIGH						
Increase In Potential Resulting From Population Growth - Index(1	100.0	106.5	113.0	123.3	133.2	143.6
Increase In Potential Resulting From Increase In Standard Of Living - Index(2	100.0	104.5	109.0	116.5	124.0	131.5
Combined Index	100.0	111.3	123.2	143.6	165.2	188.8
DSTM Potential Of Economic Area Residents($Millions)	$1,133.2	$1,261.3	$1,396.1	$1,627.3	$1,872.0	$2,139.5
EASTERN STUDY AREA - HIGH						
Increase In Potential Resulting From Population Growth - Index(1	100.0	107.6	115.0	128.4	139.4	145.0
Increase In Potential Resulting From Increase In Standard Of Living - Index(2	100.0	104.5	109.0	116.5	124.0	131.5
Combined Index	100.0	112.4	125.4	149.6	172.9	190.7
DSTM Potential Of Study Area Residents ($Millions)	$241.2	$271.1	$302.5	$360.8	$417.0	$460.0
% Of Economic Area DSTM Potential	21.3%	21.5%	21.7%	22.2%	22.3%	21.5%

SOURCE: Larry Smith & Associates Ltd.

1) Index derived from estimates of population growth for forecast years with 1980 as the base year.
2) Standard of Living is estimated to increase at 1.5% per year excluding inflation.

$1,540 per person in the Ontario section. Similarly, the 1980 DSTM level in the Eastern Study Area is estimated to average some $1,475 per person. These expenditure differences reflect the various income levels discussed above as well as, to some extent, the different expenditure patterns of the more urban as opposed to more rurally oriented Economic Area residents.

Future DSTM Potential

The earlier discussions of population growth prospects in the Ottawa-Hull Economic Area and in the Eastern Study Area as well as the income and expenditure relationships determined above provide the basis for the projection of DSTM sales potential in the two respective geographic areas. The mathematical calculations of Economic Area and Eastern Study Area residents' DSTM expenditure potentials are summarized in Table 6.

Based on the population projections discussed earlier, an index has been developed which reflects the increase in sales potential which can be expected as a result of increases in population only. This index is expressed in the first line of Table 6 for each of the geographic areas analyzed. From the base year 1980, the Ottawa-Hull Economic Area population is forecast to increase by 6.5% to 1983, 13.0% by 1986 and 43.6% by the year 2001. The index for the Eastern Study Area indicates an increase of 7.6% to 1983, 15.0% to 1986 and 45.0% to 2001. As expressed in the assumptions underlying this study, changes in expenditure patterns solely due to inflation have not been recognized. Future expenditures reflect the 1980 value of the Canadian dollar. In addition to possible future inflation, changes in expenditures may also occur because of changes in the standard of living. As discussed previously, as incomes increase, expenditures increase as well but at a reduced rate. Expenditure changes due to this factor have ranged as high as 3.0% in past periods. Because of the difficulty of forecasting such changes for future periods, particularly for limited geographical areas such as the Ottawa-Hull Economic Area or its sub-component in the Eastern Study Area, we have projected this increase at no more than 1.5% per year calculated against the 1980 base. In Table 6, the second line under each geographic area heading expresses this anticipated increase in expenditures in index form.

The combined index represents anticipated increases in total expenditures due to both variation in population levels and probable increases due to changes in the standard of living. It is estimated that the total DSTM expenditures of Economic Area residents will increase by 11.3% between 1980 and 1983 while in the Eastern Study Area, the DSTM expenditures should increase by 12.4% over the same projection period. By multiplying the current population in each of the two study areas adopted for use in this analysis by the corresponding estimated current per capita DSTM expenditure, the total 1980 DSTM potentials of Economic Area and Eastern Study Area residents respectively have been determined. Thus, the total DSTM potential of Economic Area residents in 1980 is estimated at $1,133.2 million, of which $241.2 million originates with residents of the Eastern Study Area.

Applying the previously developed combined index to the current area potentials results in the projection of future DSTM potentials. As a result, the DSTM potential of Ottawa-Hull Economic Area residents is

projected at $1,261.3 million in 1983, $1,396.1 million in 1986 and $2,139.5 million by the end of the study period. Similarly, the future DSTM potential of Eastern Study Area residents has been calculated at $271.1 million by 1983, and $302.5 million by 1986, with further increases to some $460.0 million by the year 2001.

Projections of future DSTM potential in the Ottawa-Hull Economic Area and in the Eastern Study Area under the 'Low' growth scenario are presented in the Appendix in Table A-2.

CBD
1 0 1 Mile
1 0 1 Km.
NUMBERS REFER TO DEPARTMENT STORE INVENTORY
● 7 Existing
● A Proposed
△ Proposed Regional Centre
▲ Existing Regional Centre
✱ SITE OF PROPOSED EASTGATE S.C.

SECTION V

EXISTING MAJOR DSTM COMPETITION IN THE OTTAWA-HULL ECONOMIC AREA

The City of Ottawa and our firm have surveyed and prepared an inventory of retail/service facilities and vacant space in downtown Ottawa, in eastern Ottawa including the Eastern Study Area, and in all major (i.e. anchored by a department store) shopping centre locations throughout the balance of the Ottawa-Hull Economic Area. The results of this survey are shown in Table 7 detailing the size and composition of each retail/service cluster. All retail clusters have been indicated on the map of Major Retail/Service Competition facing the table.

In total, 57 suburban and 9 Ottawa Central Area retail clusters have been inventoried and evaluated for a combined total of nearly 9.3 million square feet GLA of retail/service space. The Central Area accounts for almost 2.0 million square feet GLA, comprised of about 0.9 million and 1.1 million square feet in the Central Area West and East respectively. The Eastern Study Area contains a combined total of some 2.4 million square feet GLA while Other Eastern Stores contain 1.0 million square feet and the Downtown Fringe contributes an additional 0.6 million square feet of retail/service space. Major retail/service competition in Metropolitan Ottawa West and the Quebec side of the Ottawa-Hull Economic Area totals 2.3 million and 1.0 million square feet GLA respectively.

Department Stores

The principal component of the total inventory is department store space totalling some 3.2 million square feet and representing about 34.0% of the total retail/service and vacant space surveyed. This combined space is comprised of 32 department stores. The largest single concentration of department store space is contained in the Rideau Street cluster with some 512,000 square feet (map cluster CBD-7). Other principal concentrations of department store space ranked in descending order are: Bayshore Shopping Centre with 382,000 square feet (map key 50), St. Laurent Shopping Centre with 307,000 square feet (map key 11), Meadowlands Mall Plus with 228,000 square feet (map key 46), Carlingwood Shopping Centre with 215,000 square feet (map key 47), Lincoln Fields with 205,000 square feet (map key 48) and Les Galeries De Hull with 196,000 square feet (map key 54). There are only three other clusters in the entire Economic Area with department store space ranging between 90,000 and 195,000 square feet (map keys 10, 45 and 51).

Central Area department store space totalling 572,000 square feet in four stores accounts for about 18.0% of the total Economic Area department store inventory. Together these stores have an estimated 1980 sales volume of $51.6 million as noted in Table 8, which represents only a 14.0% share of the total combined sales of all Economic Area department stores estimated at some $368.3 million.

The Eastern Study Area contains 581,000 square feet of department store space in 7 separate facilities, some 53.0% of which is located at St. Laurent Shopping Centre (map key 11). This centre is anchored by the only two full-line traditional type department stores located in the Eastern Study Area (Sears with 201,000 and The Bay with 106,000 square feet respectively). Only one of the remaining 5 ESA stores, the Towers at Towers Plaza (map key 10) is over 100,000 square feet. The combined space in the ESA stores represents some 18.3% of total Economic Area department store space and 22.3% of total suburban department store space. Their estimated combined 1980 sales volume of $96.4 million, on the other hand, accounts for 26.2% of total Economic Area and 30.4% of total suburban department store sales estimates. The two department stores at St. Laurent Shopping Centre dominate the performance of ESA department stores at the present time attracting approximately 80.0% of all ESA department store sales.

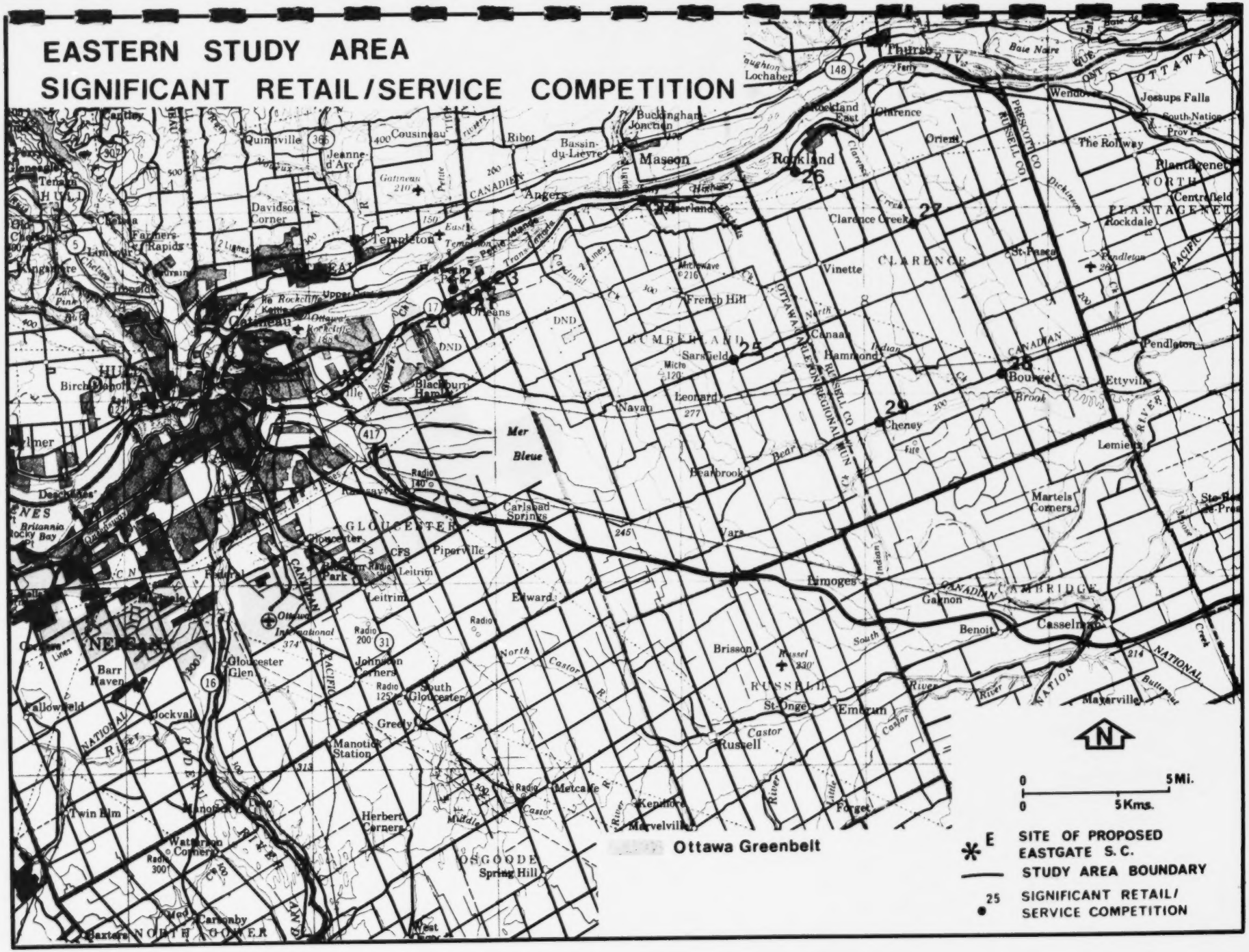
Nondepartment Store DSTM Stores

Nondepartment store DSTM space (excluding TBA stores) inventoried in the Ottawa-Hull Economic Area totals over 2.9 million square feet, of which 822,100 square feet or some 28% is located in the Ottawa Central Area. Of the nearly 2.1 million square feet of suburban specialty DSTM store space included in the inventory, some 718,000 square feet or about a third is located in the Eastern Study Area. The largest cluster of specialty DSTM space is located in the Ottawa Central Area on Rideau Street (map key CBD-7) with some 292,800 square feet, followed in descending order by: Carlingwood Shopping Centre with 155,800 square feet (map key 47), Bayshore Shopping Centre with 145,800 square feet (map key 50), the Sparks Street Mall with 142,900 square feet (map key CBD-3), Bank Street between Somerset and Argyle with 134,400 square feet (map key 39), St. Laurent Shopping Centre with 127,200 square feet (map key 11), Billings Bridge Shopping Centre with 113,200 square feet (map key 36) and Bank Street between Sparks and Gloucester with 103,100 square feet of space (map key CBD-4). None of the other clusters contain more than 100,000 square feet of specialty DSTM space.

Within the Eastern Study Area, the St. Laurent Shopping Centre is dominant with 127,200 square feet of specialty DSTM space or 18.0% of the total local inventory of such space. Other major local EST clusters with over 50,000 square feet of specialty DSTM space in descending order are: Shopper's City East with 93,700 square feet (map key 16), Montreal Road between the Rideau River and St. Laurent Boulevard with 68,400 square feet (map key 3), the Town of Rockland with 55,500 square feet (map key 26) and St. Laurent Boulevard between Sandridge and the CPR tracks with 50,500 square feet of space (map key 6). Only five of the remaining 24 Eastern Study Area clusters contains more than 20,000 square feet of nondepartment store DSTM space.

EASTERN STUDY AREA
SIGNIFICANT RETAIL/SERVICE COMPETITION

EASTERN STUDY AREA
SIGNIFICANT RETAIL/SERVICE COMPETITION



In terms of effectiveness, it is estimated that Central Area specialty DSTM stores (excluding TBA facilities) have a 1980 combined sales volume of $116.9 million, which represents a 20.0% share of the total combined sales of all Economic Area specialty DSTM stores estimated at some $584.4 million. In the Eastern Study Area, nondepartment Store DSTM facilities have a combined 1980 sales volume amounting to some $80.9 million, which represents 13.2% of total Economic Area and 16.4% of total suburban nondepartment store DSTM sales volumes. St. Laurent Shopping Centre is the single most dominant location among ESA specialty DSTM stores, attracting $27.9 million or 36.3% of 1980 ESA store volumes.

Major Retail/Service Development Proposals

Table 9 contains a listing and a very brief description of some eleven major retail/service development proposals within the Ottawa-Hull Economic Area. The locations of these proposals are included on the retail/service and department store competition maps. Besides the Rideau Centre proposal and the whole Rideau Area Project, which are expected to draw significantly on the Eastern Study Area for support, other proposals which clearly will be depending on the same Eastern Study Area for the major portion of their sales include, the expansion of St. Laurent Shopping Centre,development of the Admiral leaseholds site, the expansion of Place D'Orleans Shopping Centre, and the proposed regional shopping centre at the Eastgate site. The apparent need for all of these development proposals to serve future additional DSTM potential in the Eastern Study Area is examined in detail later in Section VIII of this report.

Conclusion

The Ottawa CBD today has 18% of the department store space in the regional market but captures only 14% of regional department store sales. Similarly, in the case of specialty DSTM facilities, the CBD's share of space is about 29% but its share of regional sales is only 20%. If unchecked this unequal drawing power or attraction of the CBD's existing DSTM inventory compared with the rest of the regional market is cause for serious concern about the future strength and vitality of the retail component in the CBD.

TABLE 7

OTTAWA-HULL ECONOMIC AREA
MAJOR RETAIL/SERVICE COMPETITION
(SQ. FT. GLA)(1

Cluster No.	Cluster Name	Department Store	Size Of Department Store (Sq.Ft.GLA)	Food (Sq.Ft.GLA)	Other DSTM(2 (Sq.Ft.GLA)	Liquor Beer Wine (Sq.Ft.GLA)	Total Retail (Sq.Ft.GLA)	Services(3 (Sq.Ft.GLA)	Vacant Space (Sq.Ft.GLA)	Total Size (Sq.Ft.GLA)
EASTERN STUDY AREA										
1	Beechwood	-	-	14,200	7,500	-	21,700	6,600	-	28,300
2	Eastview	-	-	34,800	25,800	4,400	65,000	5,000	-	70,000
3	Montreal Rd.(Rideau R.-St.Laurent)	-	-	2,300	68,400	7,100	77,800	54,500	4,900	137,200
4	McArthur Ave.(River Rd.-St.Laurent)	-	-	8,000	34,400	-	42,400	1,500	-	43,900
5	McArthur Plaza	-	-	16,200	13,600	5,400	35,200	10,000	2,100	47,300
6	St. Laurent (Sandridge to CPR)	-	-	20,700	50,500	-	71,200	31,200	13,900	116,300
7	Montreal Square	-	-	19,000	20,300	4,000	43,300	3,600	-	46,900
8	K-Mart Plaza	K-Mart	86,000	88,600	9,800	-	184,400	12,400	8,200	205,000
9	Cyrville	-	-	-	17,600	-	17,600	1,500	-	19,100
10	Towers Plaza (Cyrville)	Towers	108,000	20,000	-	-	128,000	-	-	128,000
11	St. Laurent S.C.	Sears	201,000	27,900	127,200	600	462,700	17,800	-	480,500
		The Bay	106,000							
12	Alta Vista S.C.	-	-	9,700	3,300	-	13,000	7,000	-	20,000
13	Elmvale	-	-	44,300	48,200	5,000	97,500	21,100	13,800	132,400
14	St. Laurent(Walkely to CPR)	-	-	4,900	15,500	-	20,400	24,900	-	45,300
15	Simpsons-Sears Warehouse	Sears	17,000(4	-	-	-	35,000	-	-	35,000
	The Bay - Warehouse	The Bay	18,000(4							
16	Shopper's City East	-	-	51,600	93,700	8,000	153,300	6,100	-	159,400
17	Montreal Rd.(St.Laurent-Hwy.17)	-	-	60,400	11,200	-	71,500	64,500	10,600	146,600
18	Beacon Hill S.C.	Zellers	45,000	22,400	13,900	-	81,300	9,000	3,300	93,680
19	Blackburn Hamlet	-	-	21,600	8,800	-	30,400	15,000	29,900	75,300
20	Promenade Jeanne D'Arc-Orleans	-	-	8,300	1,300	-	9,600	3,900	2,500	16,000
21	St. Joseph Blvd.-Orleans	-	-	11,200	29,300	-	40,500	16,200	7,900	64,600
22	Jeanne D'Arc Blvd.-Orleans	-	-	29,400	7,600	11,600	48,600	14,200	15,400	78,200
23	Place D'Orleans	-	-	44,000	42,000	-	86,000	13,300	1,600	100,900
24	Town of Cumberland-Cumb.Twp.	-	-	3,900	1,100	-	5,000	300	-	5,300
25	Sarsfield-Cumberland Twp.	-	-	6,400	1,700	-	8,100	800	-	8,900
26	Rockland	-	-	11,200	55,500	5,000	71,700	18,700	-	90,400
27	Clarence Creek	-	-	1,600	2,200	-	3,800	-	-	3,800
28	Bourget	-	-	6,500	6,800	-	13,300	-	-	13,300
29	Cheney & Hammond	-	-	1,800	600	-	2,400	-	-	2,400
	SUBTOTAL:		581,000	590,900	717,700	51,100	1,940,700	359,100	114,100	2,413,900

TABLE 7

OTTAWA-HULL ECONOMIC AREA
MAJOR RETAIL/SERVICE COMPETITION (Cont'd)
(SQ. FT. GLA)(1

Cluster No.	Cluster Name	Department Store	Size Of Department Store (Sq.Ft.GLA)	Food (Sq.Ft.GLA)	Other DSTM(2 (Sq.Ft.GLA)	Liquor Beer Wine (Sq.Ft.GLA)	Total Retail (Sq.Ft.GLA)	Services(3 (Sq.Ft.GLA)	Vacant Space (Sq.Ft.GLA)	Total Size (Sq.Ft.GLA)
OTHER EASTERN STORES										
30	Leon's	-	-	-	41,400	-	41,400	-	-	41,400
31	Bank(Hwy.31)(Queensdale-S.Gloucester)	-	-	3,700	23,500	-	27,200	10,000	1,000	38,200
32	Blossom Park	K-Mart	88,000	23,900	-	-	111,900	6,100	-	118,000
33	Bank St.(Rideau Rd.-Queensdale)	-	-	35,900	96,900	13,900	146,700	91,400	14,500	252,600
34	Alta Vista & Bank	-	-	25,000	29,500	-	54,500	20,500	-	75,000
35	Paquins	-	-	25,900	12,300	-	38,200	3,500	-	41,700
36	Billings Bridge	Ogilvy's	60,000	51,000	113,200	2,500	226,700	24,200	800	251,700
37	Bank St. (Rideau C. - Rideau Rd.)	-	-	13,100	44,600	-	57,700	25,300	1,500	84,500
42	Riverside Mall	-	-	10,500	3,200	-	13,700	7,600	-	21,300
43	Hunt Club S.C.	-	-	33,600	8,400	-	42,000	11,100	-	53,100
44	Hunt Club & McArthy Rd.	-	-	5,100	1,100	-	6,200	8,900	15,100	30,200
TOTAL OTHER EASTERN STORES			148,000	227,700	374,100	16,400	766,200	208,600	32,900	1,007,700
DOWNTOWN FRINGE										
38	Bank Street(Argyle-Rideau Canal)	-	-	28,000	81,500	8,800	118,300	36,300	13,200	167,800
39	Bank Street (Somerset-Argyle)	-	-	17,600	134,400	-	152,000	36,900	6,000	194,900
40	Bank Street (Gloucester-Somerset)	-	-	3,900	67,000	1,000	71,900	29,100	6,000	107,000
41	Rideau Street (CBD-Rideau River)	-	-	10,000	22,800	3,900	36,700	51,000	4,400	92,200
TOTAL DOWNTOWN FRINGE			-	59,500	305,700	13,700	378,900	153,400	29,600	561,900

/Cont'd.

TABLE 7

OTTAWA-HULL ECONOMIC AREA
MAJOR RETAIL/SERVICE COMPETITION (Cont'd)
(SQ. FT. GLA)(1

Cluster No.	Cluster Name	Department Store	Size Of Department Store (Sq.Ft.GLA)	Food (Sq.Ft.GLA)	Other DSTM(2 (Sq.Ft.GLA)	Liquor Beer Wine (Sq.Ft.GLA)	Total Retail (Sq.Ft.GLA)	Services(3 (Sq.Ft.GLA)	Vacant Space (Sq.Ft.GLA)	Total Size (Sq.Ft.GLA)
CENTRAL AREA WEST (C.T.48)										
CBD 1	Place de Ville	-	-	-	30,000	-	30,000	14,400	-	44,400
CBD 2	C.D. Howe Bldg. 240 Spark	-	-	600	87,300	-	87,900	22,600	2,300	112,800
CBD 3	Sparks St. Mall	Simpsons	60,000	300	142,900	-	203,200	58,100	5,500	266,800
CBD 4	Bank St. (Sparks-Gloucester)	-	-	6,000	103,100	-	109,100	39,800	1,200	150,100
CBD 5	L'Esplanade-171 Bank	-	-	3,500	27,600	5,300	36,400	35,800	3,200	75,400
CBD 6	Other C.T. 48	-	-	-	67,200	-	67,200	121,800	7,100	196,100
TOTAL C.A. WEST			60,000	10,400	458,100	5,300	533,800	292,500	19,300	845,600
CENTRAL AREA EAST (C.T.54)										
CBD 7	Rideau Street (B-D)	The Bay	235,000	30,800	292,800	2,000	837,600	78,300	7,300	923,200
		Caplan's	92,000							
		Ogilvy's	185,000							
CBD 8	Byward Market	-	-	37,400	71,200	-	108,600	51,400	8,500	168,500
CBD 9	Other C.T. 54	-	-	-	-	5,400	5,400	26,300	-	31,700
TOTAL C.A. EAST			512,000	68,200	364,000	7,400	951,600	156,000	15,800	1,123,400
TOTAL C.A. STORES			572,000	78,600	822,100	12,700	1,485,400	448,500	35,100	1,969,000

/Cont'd.

TABLE 7

OTTAWA-HULL ECONOMIC AREA
MAJOR RETAIL/SERVICE COMPETITION (Cont'd)
(SQ. FT. GLA)(1)

Cluster No.	Cluster Name	Department Store	Size Of Department Store (Sq.Ft.GLA)	Food (Sq.Ft.GLA)	Other DSTM(2 (Sq.Ft.GLA)	Liquor Beer Wine (Sq.Ft.GLA)	Total Retail (Sq.Ft.GLA)	Services(3 (Sq.Ft.GLA)	Vacant Space (Sq.Ft.GLA)	Total Size (Sq.Ft.GLA)
METROPOLITAN OTTAWA WEST										
45	Merivale Mall	Woolco	130,000	40,800	58,400	-	229,200	16,700	-	245,900
46	Meadowlands Mall Plus	Miracle Mart	88,000	51,600	5,600	4,600	289,800	5,600		295,400
		Pascal	65,000							
		K-Mart	75,000							
47	Carlingwood S.C.	Sears	215,000	56,000	155,800	4,500	431,300	20,500	-	451,800
48	Lincoln Fields S.C.	Woolco	148,000	25,800	37,000	-	267,800	14,600	-	282,400
		Ogilvy's	57,000							
49	Shoppers City West	Towers	55,000	53,200	26,100	8,800	143,100	10,600	-	153,700
50	Bayshore S.C.	Eaton's	180,000	40,200	145,800	2,000	570,000	15,800	-	585,800
		The Bay	125,000							
		Miracle Mart	77,000							
51	Bells Corners	K-Mart	100,000	17,500	17,800	-	135,300	3,700	-	139,000
52	Hazeldean Mall	Towers	62,000	41,900	31,200	3,600	138,700	10,700	8,800	158,200
TOTAL OTTAWA WEST			1,377,000	327,000	477,700	23,500	2,205,200	98,200	8,800	2,312,200
QUEBEC SIDE										
53	Galeries Aylmer	Zellers	70,000	27,800	43,700	-	141,500	10,000	1,400	152,900
54	Les Galeries De Hull	Sears	121,000	34,700	85,600	-	316,300	16,500	-	332,800
		Miracle Mart	75,000							
55	Place Cartier S.C.	Zellers	75,000	27,300	34,900	-	137,200	15,600	9,900	162,700
56	Les Promenade De L'Outaouais	K-Mart	85,000	41,000	90,900	-	216,900	23,500	5,300	245,700
57	Galeries Gatineau	Zellers	70,000	20,000	9,100	-	99,100	6,400	13,800	119,300
TOTAL QUEBEC			496,000	150,800	264,200	-	911,000	72,000	30,400	1,013,400
	GRAND TOTAL		3,174,000	1,434,500	2,961,500	117,400	7,687,400	1,339,800	250,900	9,278,100

SOURCE: Larry Smith & Associates Ltd.

1) Rounded to the nearest 1,000 square feet gross leasable area (GLA) for department stores and the nearest 100 square feet GLA for all other retail/service store types.
2) Includes inventoried portion of TBA stores totalling 107,900 square feet GLA.
3) Includes banks, trust companies, eating and drinking, barber and beauty and laundry/dry cleaning.
4) Sales area only; although these outlets are warehouse stores, they have been included under the department store definition because of the parent company association.

TABLE 8

OTTAWA-HULL ECONOMIC AREA AND EASTERN STUDY AREA
1980 EFFECTIVE COMPETITIVE SALES VOLUMES(1
($MILLIONS)

	OTTAWA-HULL ECONOMIC AREA		
	CENTRAL AREA	SUBURBAN AREA	
		TOTAL SUBURBAN	EASTERN STUDY AREA
Department Stores	$ 51.6	$316.7	$ 84.4
Nondepartment Store DSTM Facilities(2	$116.9	$467.5	$119.8
Total DSTM Stores(2	$168.5	$784.2	$204.2
Apparel & Accessories Stores(3	$ 38.7	$114.3	$ 31.4
Other Specialty DSTM Stores(3	$ 37.7	$130.6	$ 34.5

	EASTERN STUDY AREA		
	CENTRAL AREA	SUBURBAN AREA	
		TOTAL SUBURBAN	EASTERN STUDY AREA
Department Stores	$ 9.5	$ 74.9	$ 70.0
Nondepartment Store DSTM Facilities(4	$ 19.2	$100.6	$ 65.4
Total DSTM Stores	$ 28.7	$175.5	$135.4
Apparel & Accessories Stores	$ 9.9	$ 21.5	$ 18.8
Other Specialty DSTM Stores	$ 6.9	$ 27.6	$ 19.5

SOURCE: Larry Smith & Associates Ltd.

1) Based on the results of the consumer survey and our evaluation of existing competitive facilities.
2) Excludes TBA facilities and includes uninventoried stores in retail clusters not anchored by a department store and located west of the Rideau River or in the Quebec Portion of the Ottawa-Hull Economic Area.
3) Includes uninventoried stores in retail clusters not anchored by a department store and located west of the Rideau River or in the Quebec Portion of the Ottawa-Hull Economic Area.
4) Excludes TBA facilities.

TABLE 9

OTTAWA-HULL ECONOMIC AREA
RETAIL/SERVICE DEVELOPMENT PROPOSALS

MAP KEY		DESCRIPTION
7A	Rideau Area Project	The 'seed' component of this proposal is the Rideau Centre Project. The Centre will be anchored by the existing Bay and Ogilvy's stores and a new 240,000 square foot Eatons department store plus an additional 275,000 square feet of specialty DSTM store space. The Bay proposes to expand by an additional 60,000 square feet, and Ogilvy's by 60,000 square feet. The fist phase of the Centre is projected to open in 1983. A proposed second phase would include a 160,000 square foot expansion of the Eatons store. The City has identified potential for an additional 500,000 square feet on surrounding properties. Timing will depend on market conditions.
11A	St. Laurent Shopping Centre Expansion	An expansion of St. Laurent S.C. is presently underway in the form of 55,000 square feet of ancillary space, including 42,000 square feet of net additional GLA. Construction is scheduled to be completed in 1981. Zoning for the development of a third department store occupying an estimated 120,000 square feet exists. An opening by 1983 is expected.
E	Eastgate Shopping Centre	This site, located at Blair Road and the Queensway is proposed to be developed as a regional shopping centre. Detailed plans are unkown at this time. (Shenkman Properties). We assume that a true regional shopping centre at this location would have a minimum of 400,000 square feet GLA of DSTM facilities, with two traditional type department store tenants together occupying around 240,000 square feet GLA.
16A	Admiral Leaseholds Site	Immediately adjacent to the Eastgate site, on the east side of Blair Road, is the Admiral Leaseholds site which is zoned to permit major retail development. Proposals

TABLE 9 (Cont'd)

OTTAWA-HULL ECONOMIC AREA
RETAIL/SERVICE DEVELOPMENT PROPOSALS

MAP KEY		DESCRIPTION
16A	Admiral Leaseholds Site (cont'd)	for development call for a total GLA of 181,300 square feet, to be comprised of a 59,000 square foot Canadian Tire, a 45,000 square foot supermarket and 56,000 square feet of retail mall space. It is understood that the venture has gone into receivership with the present status of the project unclear at this time. (Admiral Leaseholds Ltd.)
20A	Place D'Orleans Shopping Centre Expansion	Phase One of Place D'Orleans has been completed and consists of some 135,000 square feet. Approval is being sought for the immediate expansion of this centre to about 250,000 square feet, which would include a discount department store of some 100,000 square feet. Further expansion in the future will depend on market conditions (Marathon Realty Company Limited)
30A	Herongate Mall	Expected to open in August, 1981, the 200,000 square foot mall will be anchored by a 65,000 square foot Zellers department store and a 45,000 square foot Dominion supermarket. (Marathon Realty Company Limited)
F	South Keyes Shopping Centre	This site is planned to be developed as a regional shopping centre, with Phase One to have a potential of 500,000 square feet, including two department stores totalling some 240,000 square feet. Construction of this centre has been delayed for approximately two years. A future 200,000 square feet may be added in Phase Two of the centre subject to the results of future market studies (Campeau Corporation).
G	Woodroffe/Knoxdale Shopping Centre	A community type shopping centre has been proposed at the northwest corner of Woodroffe and Knoxdale Road. This centre would include at least one major department store.

TABLE 9 (Cont'd)

OTTAWA-HULL ECONOMIC AREA
RETAIL/SERVICE DEVELOPMENT PROPOSALS

MAP KEY		DESCRIPTION
H	Pinecrest Shopping Centre	Original plans called for a 100 store regional shopping centre with 500,000 square feet GLA and three department stores However, a new proposal has been submitted for a scaled down centre of some 250,000 square feet. (Campeau Corporation).
I	Kanata Town Centre	Phase One of this proposal calls for some 225,000 square feet of retail space to open in 1985.
J	Gatineau Site	Campeau Corporation has a site in Gatineau but plans are in a very preliminary stage at this time. (Campeau Corporation).

SECTION VI

OTTAWA-HULL ECONOMIC AREA AND OTTAWA CBD RESIDUAL DSTM SPACE DEMANDS

In this section of the report we examine the residual DSTM space demands which can be expected to emerge within the entire Ottawa-Hull Economic Area and in particular in the Ottawa CBD, given estimates of total DSTM potential identified at selected dates between 1980 and the horizon year 2001. By residual space demands we mean the additional space which can be justified on the strength of population growth, and real increases in per capita expenditure levels, etc. while ensuring that the base year 1980 or current sales volumes of all existing DSTM retailers in the regional market area are held constant. The reason for adopting the residual technique of analysis at this juncture of the study is that it provides a useful measure of the need for new facilities without encroaching upon the current sales volumes of existing retailers. Whether the market can absorb the introduction of facilities in excess of the residual space estimates is a matter which is tested by conducting a transfer and impact analysis relating to specific development assumptions.

Department stores per se are the single largest retail store group within the broader definition of DSTM facilities, certainly in most urban centred markets. Moreover, because of their size and larger population base support threshold requirements, the strategy of department store location is somewhat different from that applicable to individual specialty DSTM stores. It is also obvious to anyone who cares to compare different shopping centres that the most striking differences often relate to the department store tenants, including the absence thereof. The number, type and scale of department stores in a retail centre clearly dictates its level in the hierarchy of retail centres and has a critical influence on the relative attractiveness of that centre in the marketplace from the consumers' standpoint. For these reasons, it is essential we believe to analyze department store space needs and development opportunities in the market separately from nondepartment store or specialty DSTM facility requirements.

DSTM space demands within the regional market at large are not our immediate concern in this study. Their estimation is required in order to provide the framework in this section of the report for an analysis with a much narrower spatial focus, namely the Ottawa CBD. It will be recalled from the discussion of population growth prospects within the Ottawa-Hull Economic Area and the Eastern Study Area that two scenarios, a High and a Low, based essentially on projections developed by the Ottawa-Carleton Region have been adopted for the purposes of this study. So as to simplify presentation of the analysis, from this point on the text and tables included in the main body of the report will focus on the 'High' population growth scenario. Tables detailing the 'Low' growth scenario analysis are included in the appendix with only summary commentary in the main text where appropriate.

TABLE 10

OTTAWA-HULL ECONOMIC AREA AND OTTAWA CBD
DEPARTMENT STORE POTENTIAL AND RESIDUAL SPACE DEMAND - HIGH

($MILLIONS)

	1980	1983	1986	1991	1996	2001
DSTM Potential	$1,133.2	$1,261.3	$1,396.1	$1,627.3	$1,872.0	$2,139.5
Department Store Share						
@ 32.5%(1	$ 368.3	$ 409.9				
@ 35.0%		$ 441.5	$ 488.6			
@ 36.5%		$ 460.4	$ 509.6	$ 594.0	$ 683.3	$ 780.9
@ 37.5%			$ 523.5	$ 610.2	$ 702.0	$ 802.3
@ 38.0%				$ 618.4	$ 711.4	$ 813.0
Ottawa Central Area Potential (2						
@ 14.0% (3	$ 51.6	$ 61.8				
@ 20.0%		$ 88.3	$ 101.9	$ 122.0	$ 140.4	$ 160.5
@ 22.5%		$ 99.3	$ 114.7	$ 137.3	$ 158.0	$ 180.5
@ 25.0%			$ 127.4	$ 152.6	$ 175.0	$ 200.6
Residual Potential	N/A	$ 36.7	$ 63.1	$ 85.7	$ 106.4	$ 128.9
Additional Central Area Space Demand (Sq.Ft. GLA) (4						
@ $155 Per Sq.Ft.GLA	N/A	240,000				
@ $165 Per Sq.Ft.GLA			380,000			
@ $175 Per Sq.Ft.GLA				490,000		
@ $185 Per Sq.Ft.GLA					575,000	
@ $195 Per Sq.Ft.GLA						660,000
Suburban Potential						
@ 86.0%	$ 316.7					
@ 80.0%		$ 353.2				
@ 77.5%			$ 394.9	$ 472.9	$ 544.0	$ 621.8
Residual Potential	N/A	$ 36.5	$ 78.2	$ 156.2	$ 156.2	$ 305.1
Additional Suburban Area Space Demand (Sq.Ft. GLA) (4						
@ $130 Per Sq.Ft.GLA	N/A	280,000				
@ $135 Per Sq.Ft.GLA			580,000			
@ $145 Per Sq.Ft.GLA				1,075,000		
@ $155 Per Sq.Ft.GLA					1,465,000	
@ $165 Per Sq.Ft.GLA						1,850,000
Total Space Demands For Total Economic Area (Sq.Ft.GLA) (5	N/A	520,000	960,000	1,565,000	2,040,000	2,510,000

SOURCE: Larry Smith & Associates Ltd.

1) Estimate based on Statistics Canada data.
2) Refers to Census Tracts 48 and 54 in downtown Ottawa.
3) Based on Statistics Canada Department Store sales statistics.
4) Rounded to the nearest 5,000 sq. ft. Gross Leasable Area (GLA).
5) Based on sum of underlined estimates.

N/A = Not Applicable.

Department Store Space Demands

In Table 10 on the top line we cite the DSTM potential available in the regional market in 1980 and for selected dates over the forecast period as developed earlier in Table 6 for the High growth scenario.

Based on data obtained from Statistics Canada, we have estimated that the share of DSTM potential accruing to department stores as a group in the regional market in 1980 is in the order of 32.5%. In keeping with historical trends at the national and provincial levels as well as in virtually all major urban markets, we anticipate that the department stores as a group will continue to record market share gains. The gains we believe will be more modest than those experienced over the last two decades and become increasingly more marginal, levelling off at an estimated 37.5% by 1991. The preferred estimates of department store potential in the Ottawa-Hull Economic Area are shown in Table 10 to rise from a current base of $368.3 million in 1980 to $509.6 million by 1986, to $610.2 million by 1991, and ultimately to a level of $802.3 million at the horizon year 2001.

Again, based on data obtained from Statistics Canada, it is estimated that the share of regional market department store sales accruing to the Ottawa Central Area department stores in 1980 was 14.0%, amounting in total to some $51.6 million in sales. This represents a sales performance level of $90 per square foot which we judge to be below the target level for these department store facilities in the Central Area.

We have noted earlier in discussing the historical retail performance of the Ottawa CBD that in the past fifteen years its share of regional DSTM sales has been cut by more than half and currently is at a level of 17.7%. If there is to be any successful revitalization of the CBD in which not only do new stores introduced into the CBD achieve acceptable sales performance levels but the existing retailers have the chance to upgrade and improve performance, then that revitalization program in our opinion has to include the introduction of a traditional type department store not yet represented in the Ottawa CBD occupying a facility of sufficient size to compete effectively in the marketplace. Furthermore, recognizing the significant number of retail studies undertaken by the consultant in recent years in connection with downtown revitalization projects in Ontario and elsewhere in Canada, and allowing for market size differences, the minimum department store share required to achieve effective revitalization of the Ottawa CBD in our opinion is 22.5%. A share any lower than that, even 2-1/2 percentage points lower, while it may in theory provide for the introduction of a new operator, will not yield any real revitalization benefits for existing operators. Below a share of 22.5% over the next two decades, the CBD will not be fulfilling its appropriate role or its potential in the context of the regional department store market. It reflects a realistic assessment on our part of the role which the CBD could be expected to fulfil.

Thus, we note in Table 10 that the CBD department store sales potential is projected to rise from a level of $51.6 million in 1980 to $88.3 million in 1983, to $114.7 million in 1986 and continue rising to some $180.5 million by the turn of the century.

TABLE 11

OTTAWA-HULL ECONOMIC AREA
NON-DEPARTMENT STORE DSTM POTENTIAL - HIGH
($MILLIONS)

	1980	1983	1986	1991	1996	2001
Estimated Total DSTM Potential	$1,133.2	$1,261.3	$1,396.1	$1,627.3	$1,872.0	$2,139.5
Less: Department Store Share	$ 368.3	$ 441.5	$ 509.6	$ 610.2	$ 702.0	$ 802.3
Total Non-Department Store DSTM	$ 764.9	$ 819.8	$ 886.5	$1,017.1	$1,170.0	$1,337.2
Distribution By Store Type						
Hardware	$ 19.1	$ 20.5	$ 22.2	$ 25.4	$ 29.3	$ 33.4
Drugs	$ 93.3	$ 100.0	$ 108.2	$ 124.1	$ 142.7	$ 163.1
Other General Merchandise(1	$ 94.9	$ 101.6	$ 109.9	$ 126.1	$ 145.1	$ 165.8
Apparel/Accessories	$ 153.0	$ 164.0	$ 177.3	$ 203.4	$ 234.0	$ 267.5
Household Furnishings	$ 55.8	$ 59.8	$ 64.7	$ 74.3	$ 85.4	$ 97.6
Other Specialty DSTM	$ 168.3	$ 180.4	$ 195.0	$ 223.8	$ 257.4	$ 294.2
TOTAL NON-DEPARTMENT STORE DSTM EXCLUDING TBA	$ 584.4	$ 626.3	$ 677.3	$ 777.1	$ 893.9	$1,021.6

SOURCE: Larry Smith & Associates Ltd.
1) Includes catalogue, variety, mail order and other general merchandise type stores.

Defining residual potential as simply the difference between the base year potential and the level projected at a given future date, the residual department store potential identified for the CBD by 1983 amounts to $36.7 million, increasing to $63.1 million by 1986 and ultimately to more than $128 million in the year 2001. To obtain an initial measure of the amount of additional department store space that may be needed in the Central Area, the residual potential has been divided by sales performance factors which we consider reflect the type of department store space which could and should be encouraged to locate in the CBD and the performance expectations and requirements of such department store tenants if indeed they are to be persuaded to establish new facilities in the Central Area. The additional department store space demands identified for the CBD amount to 240,000 square feet by 1983 increasing to 380,000 square feet by 1986 and eventually to well over half a million square feet by the horizon year. These residual space estimates assume that the sales performance of existing department store space in the Central Area is frozen at current 1980 levels right through to the year 2001.

That portion of department store potential in the regional market which is not captured by Central Area facilities has been labelled Suburban Potential in Table 10. In 1980 it amounts to some $316.7 million, with the volume projected to increase to nearly $395 million just six years in the future and to over $620 million at the end of the study period. These projections yield estimates of residual potential in the suburbs as a whole totalling $36.5 million in 1983, rising to $78.2 million by 1986. At the end of the forecast period, residual suburban potential is calculated to reach over $300 million. Additional suburban department store space needed related to the estimate of residual potential is 280,000 square feet by 1983 and is projected to reach nearly 2 million square feet by the year 2001.

In the total regional market under the 'High' growth scenario, the combined residual department store space demands in both the CBD and the suburbs amount to a little over half a million square feet by 1983, almost 1 million square feet by 1986, and thereafter continue to rise by approximately half a million square feet over each successive five year interval.

The residual department store space demands in the Ottawa-Hull Economic Area under the 'Low' growth scenario are presented in the Appendix in Table A-3. As to be expected, additional space demands are lower on a total regional basis, by only 4% in 1983 but the spread increases over time and approaches 15% by the end of the forecast period.

Nondepartment Store DSTM Space Demands

In Table 11 we present the derivation of nondepartment store DSTM potential in the Ottawa-Hull Economic Area under the 'High' scenario. From total DSTM potential in the regional market we have subtracted the volume

TABLE 12

OTTAWA-HULL ECONOMIC AREA AND OTTAWA CBD
NONDEPARTMENT STORE DSTM POTENTIAL AND RESIDUAL SPACE DEMAND (1-HIGH
($ Millions)

	1980	1983	1986	1991	1996	2001
Nondepartment Store DSTM Potential	$584.4	$626.3	$677.3	$777.1	$893.9	$1021.6
Ottawa Central Area Potential (2						
@ 20.0% (3	$116.9	$125.3				
@ 25.0%		$156.6	$169.3	$194.3	$223.5	$255.4
@ 27.5%		$172.2	$186.3	$213.7	$245.8	$280.9
@ 30.0%			$203.2	$233.1	$268.2	$306.5
Residual Potential	N/A	$ 39.2	$ 69.4	$ 96.8	$128.9	$164.0
Additional Central Area Space Demand (Sq.Ft.GLA) (4						
@ $185 Per Sq.Ft. GLA	N/A	215,000				
@ $190 Per Sq.Ft. GLA			365,000			
@ $205 Per Sq.Ft. GLA				470,000		
@ $215 Per Sq.Ft. GLA					600,000	
@ $230 Per Sq.Ft. GLA						715,000
Suburban Potential						
@ 80.0%	$467.5					
@ 75.0%		$469.7				
@ 72.5%			$491.0	$563.4	$648.1	$740.7
Residual Potential	N/A	$ 2.2	$ 23.5	$ 95.9	$180.6	$273.2
Additional Suburban Area Space Demand (Sq.Ft. GLA) (4						
@ $165 Per Sq.Ft. GLA	N/A	15,000				
@ $175 Per Sq.Ft. GLA			135,000			
@ $185 Per Sq.Ft. GLA				520,000		
@ $200 Per Sq.Ft. GLA					905,000	
@ $210 Per Sq.Ft. GLA						1,300,000
Total Space Demands for Total Economic Area (Sq.Ft. GLA) (5	N/A	230,000	500,000	990,000	1,505,000	2,015,000

SOURCE: Larry Smith & Associates Ltd.

1) Excluding TBA.
2) Refers to Census Tracts 48 and 54 in downtown Ottawa.
3) Estimate based on results of consumer survey.
4) Rounded to the nearest 5,000 sq. ft. gross leasable area (GLA).
5) Based on sum of underlined estimates.

N/A = Not Applicable.

captured by department stores per se. Thus total nondepartment store DSTM potential is calculated at $764.9 million in 1980 increasing over the projection period to more than $1.3 billion by the year 2001. In the lower section of the table we have then shown the distribution of that potential by the major groups of stores which compete for those dollars. Because we do not anticipate the Tire, Battery and Accessories (TBA) group of stores to be included in the tenant mix of Rideau Centre, and therefore TBA is not expected to be a critical issue in the City of Ottawa's concerns regarding Eastgate, we have factored out TBA potential in the analysis which ensues.

Nondepartment store DSTM potential (excluding TBA) is cited for the regional market in Table 11 to approximate $584 million in 1980 increasing to $626 million by 1983 and to more than $1 billion by 2001.

Having regard to a combination of considerations including the quantity and quality of nondepartment store DSTM inventory in the CBD, the results of the consumer survey conducted amongst more than 1,300 households throughout the regional market in August of 1980, and the relative attraction of CBD department stores in the regional market context, we believe that the CBD's current share of the regional nondepartment store DSTM market is in the order of 20%. Looking to the future and the objective of revitalizing the CBD and having it play an appropriate role in the regional market, we consider that a 27.5% share should be the minimum goal set. A share of that order we are convinced will not only be a realistic and achievable target but is required to provide the appropriate balance to and support for the role of the CBD in the department store market.

The method of computing additional nondepartment store space needs in both the CBD and in the suburbs is similar to that described earlier in the discussion of residual department store space demands. Suffice it to note here that total regional market additional nondepartment store DSTM space needs are estimated initially to amount to 230,000 square feet by 1983, to rise to half a million square feet in 1986, and to exceed 2 million square feet by the end of the forecast period. 'Low' growth scenario projections which are in the Appendix in Table A-5 vary from 8% less than the 'High' growth estimates in 1983 to a difference of nearly 20% by the year 2001.

Apparel/Accessories and Other Specialty DSTM Space Demands

Within the nondepartment store DSTM retail outlets, the two groups that stand out as being dominant in terms of estimated available potential and hence likely to be prominent in the tenant mix of Rideau Centre and any regional centre at the Eastgate site if approved are the Apparel/Accessories and Other Specialty DSTM categories. We have conducted residual type analyses for these two groups in the regional market along the same lines employed in reviewing department store and nondepartment store DSTM residual space demands. These calculations are present in the Appendix (See Tables A-6 and A-7). We note that for both sub-groups, Apparel/Accessories and Other Specialty DSTM, additional space demands in the regional market are in the order of 60,000 square feet in 1983 increasing to over half a million square feet by the turn of the century. 'Low' growth scenario projections are given in the Appendix in Tables A-8 and A-9.

Conclusion

The Ottawa CBD today is capturing an estimated 14% of regional market department store sales and 20% of the nondepartment store or specialty DSTM (1 regional sales. On a combined basis, the CBD's share of the regional DSTM market is a little under 18%. To achieve an effective revitalization of CBD retailing, the CBD department store share in future should be around 22.5% and the nondepartment store DSTM share 27.5%. On a weighted basis, the composite share of the regional DSTM market under those circumstances will be about 25%. Viewed in relation to the current 18% share of DSTM, and being mindful of the share enjoyed only ten years ago i.e. 27%, the projected share of some 25% is considered both reasonable and attainable under the right circumstances.

Consistent with the future role projected for the Ottawa CBD, the initial measure of additional department store space which will be needed in the CBD is no more than 380,000 square feet by 1986, increasing to no more than 575,000 square feet by 1996 and up to 660,000 square feet at the turn of the century. Complementing the department store needs, the additional nondepartment store DSTM needs in the Ottawa CBD amount to 365,000 square feet by 1986, increasing to as much as 700,000 square feet by the year 2001. On the supply side, the Rideau Centre Project will inject 360,000 square feet of new department store space in 1983 with provision for an additional 160,000 square feet in the future depending on adequate available market support. Complementing the department store space, the Rideau Area Project will introduce some 325,000 square feet of ancillary or specialty DSTM in 1983. Beyond 1983, the City has identified additional potential supply amounting to some 500,000 square feet of retail/commercial space. Development of that supply and its timing will depend on the success of the Rideau Centre Project to stimulate revitalization in the Rideau Area.

Finally, it should be noted that although the amount of additional DSTM space needs outside the CBD (labelled 'Additional Suburban Area Space Demand' in Tables 10 and 12) appear in the aggregate to be quite substantial, those needs will be located virtually across the length and breadth of the entire Ottawa-Hull Economic Area and any single location in the suburbs in practical terms will be able to serve and satisfy only a portion of those needs.

In the section of the report which follows, attention is directed to measuring the additional DSTM space needs in a segment of the Ottawa-Hull Economic Area 'suburban market', a segment which has been defined as the Eastern Study Area.

1) Excluding TBA sales.

TABLE 13

EASTERN STUDY AREA
DEPARTMENT STORE POTENTIAL AND
LOCAL RESIDUAL SPACE DEMAND - HIGH

	1980	1983	1986	1991	1996	2001
Study Area Residents' DSTM Potential ($Millions)	$241.2	$271.1	$302.5	$360.8	$417.0	$460.0
Department Store Share						
@ 35.0%(1	$ 84.4	$ 94.9				
@ 37.5%		$101.7	$113.4			
@ 39.0%		$105.7	$118.0	$140.7	$162.6	$179.4
@ 40.0%			$121.0	$144.3	$166.8	$184.0
@ 40.5%				$146.1	$168.9	$186.3
Ottawa Central Area Potential(2						
@ 11.2%(3	$ 9.5	$ 11.4				
@ 22.5%		$ 22.9	$ 26.6	$ 32.5	$ 37.5	$ 41.4
@ 25.0%		$ 25.4	$ 29.5	$ 36.1	$ 41.7	$ 46.0
@ 27.5%			$ 32.5	$ 39.7	$ 45.9	$ 50.6
Suburban Potential	$ 74.9	$ 78.8	$ 88.5	$108.2	$125.1	$138.0
Local Share						
@ 93.5%(3	$ 70.0	$ 73.7	$ 82.7	$101.2	$117.0	$129.0
@ 95.0%		$ 74.9	$ 84.1	$102.8	$118.8	$131.1
@ 96.0%		$ 75.6	$ 85.0	$103.9	$120.1	$132.5
Local Residual Potential	N/A	$ 4.9	$ 14.1	$ 32.8	$ 48.8	$ 61.1
Additional Local Space Demand(4						
@ $130 Per Sq.Ft.GLA	N/A	40,000				
@ $135 Per Sq.Ft.GLA			105,000			
@ $145 Per Sq.Ft.GLA				225,000		
@ $155 Per Sq.Ft.GLA					315,000	
@ $165 Per Sq.Ft.GLA						370,000

SOURCE: Larry Smith & Associates Ltd.

1) Estimate based on Statistics Canada data.
2) Refers to Census Tracts 48 and 54 in downtown Ottawa.
3) Reflects the results of the consumer survey.
4) Rounded to the nearest 5,000 sq. ft. Gross Leasable Area (GLA).
   N/A = Not Applicable.

SECTION VII

EASTERN STUDY AREA
RESIDUAL DSTM SPACE DEMANDS

In a manner similar to that described extensively in the preceeding section on Ottawa-Hull Economic Area Residual DSTM Space Demands, this section of the report presents estimates of future residual space demands in the Eastern Study Area for department stores, nondepartment store DSTM facilities as a whole, and for apparel and accessories' type stores and other specialty DSTM type stores respectively.

Department Store Space Demands

The total DSTM potential of Eastern Study Area residents developed in Section IV has been indicated on the first line of Table 13. As described in Section VI, extensive field investigations and a review of published Ottawa-Hull Metropolitan Area Department Store Sales statistics along with the results of the consumer survey enabled us to determine the current department store share in the Ottawa-Hull Economic Area as a whole. Thus, the total expenditures in all department stores by Economic Area residents was calculated at 32.5% of total DSTM potential in 1980 or some $368.3 million. By using the results of the consumer survey, indices were derived which reflect the different department store shares amongst the various Economic Area market sectors. Accordingly, it was determined that in 1980 the department store share among residents of the Eastern Study Area was some 8.8% higher than the Economic Area average. By applying this factor to the 32.5% average department store share for the Economic Area as a whole, an average Eastern Study Area department store share of some 35.0% was derived. This share was multiplied by Eastern Study Area residents' estimated 1980 total DSTM potential of $241.2 million to obtain the total department store expenditures made in all department stores by Eastern Study Area residents. These expenditures total some $84.4 million as shown in Table 13.

In keeping with the trend anticipated in the regional department store market as a whole, the department store share of DSTM potential in the Eastern Study Area is projected to continue to rise over the next decade and reach a level of 40% before levelling off. The preferred estimates of department store expenditure potential in the Eastern Study Area are shown in Table 13 to rise from a current base of $84.4 million to $118.0 million by 1986 and ultimately to $184 million by the end of the forecast period.

The Central Area share of department store potential represents that portion of Eastern Study Area residents' expenditures which all CBD department store facilities are capturing. The difference between total department store potential and the Central Area share reflects the sales accruing to all suburban stores in general. The current Central Area share of 11.2% reflects the relative draw of the CBD department store facilities and their effectiveness in the Eastern Study Area as revealed by the consumer survey. The Rideau Centre and the Rideau Area Project location we have noted is in the Eastern sector of the CBD, on the east side of the Rideau Canal. As such,

TABLE 14

EASTERN STUDY AREA
NON-DEPARTMENT STORE DSTM POTENTIAL - HIGH
($MILLIONS)

	1980	1983	1986	1991	1996	2001
Estimated Total DSTM Potential	$241.2	$271.1	$302.5	$360.8	$417.0	$460.0
Less: Department Store Share	$ 84.4	$101.7	$118.0	$144.3	$166.8	$184.0
Total Non-Department Store DSTM	$156.8	$169.4	$184.5	$216.5	$250.2	$276.0
Distribution By Store Type						
Hardware	$ 3.9	$ 4.3	$ 4.6	$ 5.4	$ 6.3	$ 6.9
Drugs	$ 19.1	$ 20.7	$ 22.5	$ 26.4	$ 30.5	$ 33.7
Other General Merchandise(1	$ 19.4	$ 21.0	$ 22.9	$ 26.9	$ 31.0	$ 34.2
Apparel/Accessories	$ 31.4	$ 33.9	$ 36.9	$ 43.3	$ 50.0	$ 55.2
Household Furnishings	$ 11.5	$ 12.4	$ 13.5	$ 15.8	$ 18.3	$ 20.2
Other Specialty DSTM	$ 34.5	$ 37.3	$ 40.6	$ 47.6	$ 55.0	$ 60.7
TOTAL NON-DEPARTMENT STORE DSTM EXCLUDING TBA	$119.8	$129.4	$141.0	$165.4	$191.1	$210.9

SOURCE: Larry Smith & Associates Ltd.
1) Includes catalogue, variety, mail order and other general merchandise type stores.

its market orientation will be decidedly slanted towards the eastern part of the regional market area. This orientation to the east for market support by virtue of location will be reinforced moreover by the selection of a major department store tenant. Eaton's has a large suburban facility at the Bayshore Shopping Centre in the west. The new facility proposed for the Rideau Centre project comprising initially some 240,000 square feet GLA will become effectively the flagship store for Eatons in the Ottawa-Hull regional market. It will be the closest Eatons store to residents of the Eastern Study Area. In light of these considerations we anticipate the share of Eastern Study Area residents' department store potential which accrues to Central Area department stores rising in the future to 25%. Below that level we do not believe the Central Area would be receiving the support it requires from the Eastern Study Area in order for effective revitalization of retailing in the Ottawa CBD to be achieved.

Eastern Study Area suburban department store potential as shown in Table 13 is that potential which does not accrue to Ottawa CBD department stores. Based on the results of the consumer survey we have determined what portion of Eastern Study Area residents' suburban department store potential in 1980 is captured by department stores situated 'locally' within the boundaries of the Eastern Study Area. With the local share estimated at 93.5% in 1980, only a marginal increase can be expected over the study period. Thus, the local share of suburban department store DSTM potential is projected to increase to 95.0% by 1983 and remain constant thereafter.

The ESA local residual suburban department store potential amounts to $4.9 million in 1983, increasing to $14.1 million by 1986, and to a little over $60 million by the year 2001. Given appropriate weighted sales performance factors for new suburban department stores in general, we have identified a residual need for additional department store space in the Eastern Study Area increasing from 40,000 square feet GLA in 1983 to 105,000 square feet by 1986 and as high as 370,000 square feet at the end of the study period. The 'Low' scenario projection is presented in Appendix Table A-10.

Nondepartment Store DSTM Space Demands

In Table 14 the nondepartment store share of DSTM is shown for the Eastern Study Area, and the volume distribution of this potential by the different store types which make up the nondepartment store portion of DSTM, excluding the TBA component. The projection of Eastern Study Area local residual nondepartment store DSTM space demand is presented in Table 15. Based on the results of the consumer survey as well as our inventory and assessment of the existing competition, Central Area, Suburban and Local shares of potential have been estimated. The current Central Area share of 16% has subsequently been projected to increase to 27.5% over the medium and longer term. The increased Central Area share reflects the revitalized role which the Ottawa CBD is projected to play in the regional retail market, the fact that increased support will be needed from the Eastern Study Area for that role to be fulfilled, the added attraction which the Rideau Centre will impart to the Central Area,and east-end Ottawa access characteristics.

Deducting projected Central Area potential from total specialty DSTM potential yields estimates of the Suburban potential of Eastern Study Area

TABLE 15

EASTERN STUDY AREA
NONDEPARTMENT STORE DSTM POTENTIAL AND
LOCAL RESIDUAL SPACE DEMAND(1 - HIGH

	1980	1983	1986	1991	1996	2001
Study Area Residents' Non-Department Store DSTM Potential ($Millions)	$119.8	$129.4	$141.0	$165.4	$191.1	$210.9
Ottawa Central Area Share(2						
@ 16.0%(3	$ 19.2	$ 20.7				
@ 25.0%		$ 32.4	$ 35.3	$ 41.4	$ 47.8	$ 52.7
@ 27.5%		$ 35.6	$ 38.8	$ 45.5	$ 52.6	$ 58.0
@ 30.0%			$ 42.3	$ 49.6	$ 57.3	$ 63.3
Suburban Potential	$100.6	$ 97.0	$102.2	$119.9	$138.5	$152.9
Local Share						
@ 65.0%(4	$ 65.4					
@ 75.0%		$ 72.8	$ 76.7	$ 89.9	$103.9	$114.7
Local Residual Potential	N/A	$ 7.4	$ 11.3	$ 24.5	$38.5	$ 49.3
Additional Local Space Demand(5						
@ $165 Per Sq.Ft.GLA	N/A	45,000				
@ $175 Per Sq.Ft.GLA			65,000			
@ $185 Per Sq.Ft.GLA				130,000		
@ $200 Per Sq.Ft.GLA					195,000	
@ $210 Per Sq.Ft.GLA						235,000

SOURCE: Larry Smith & Associates Ltd.
1) Excluding TBA.
2) Refers to Census Tracts 48 and 54 in downtown Ottawa.
3) Estimate based on the results of the consumer survey
4) Reflects the results of the consumer survey.
5) Rounded to the nearest 5,000 sq.ft. Gross Leasable Area (GLA).
N/A = Not Applicable.

residents. Allowing for facilities in the ESA to play a greater role in the market in future years, the local share has been forecast to increase from 65% to 75%. Local residual suburban potential has then been derived totalling some $7.4 million by 1983 with projected increases to $11.3 million in 1986, rising further to nearly $50 million by the end of the study period.

Given appropriate weighted sales performance factors for nondepartment store DSTM facilities additional Eastern Study Area local nondepartment store space needs are estimated at 45,000 square feet GLA in 1983 increasing to 65,000 square feet by 1986, and up to 235,000 square feet by 2001. The 'Low' growth projection is included in the Appendix Table A-12.

Apparel/Accessories and Other Specialty DSTM Space Demands

We have conducted residual type analyses for the Apparel/Accessories and Other Specialty DSTM categories within the Eastern Study Area. These calculations are presented in the Appendix Tables A-13 through A-16, for both the 'High'and 'Low' growth assumptions.

Conclusion

In the foregoing analysis, the future residual space demands or needs of Eastern Study Area residents for DSTM facilities has been identified without any consideration of the way in which those needs can be satisfied. That issue is taken up in the following section when residual demand is measured against potential future supply.

SECTION VIII

RESIDUAL DSTM SPACE DEMAND vs POTENTIAL SUPPLY IN THE EASTERN STUDY AREA

With the exception of the Eastgate shopping centre proposal itself, there are essentially three other known and approved major retail development proposals pertaining to locations within the limits of the Eastern Study Area. The nature and characteristics by location of each proposal are reviewed in the initial portion of this Section of the report and then set against residual demand to measure the apparent need, if any, for even more facilities in an Eastgate project.

The Orleans Town Centre (Map Key 20A)

In 1974, the Regional Municipality of Ottawa-Carleton adopted an Official Plan which provided for:

> "An urban community of approximately 35,000 persons east of the greenbelt (Orleans Queenswood) with the possibility of increasing this population limit by an additional 15,000 persons should transportation problems be resolved. The additional population may be located in the Township of Cumberland east of the Tenth Line and/or in the Township of Gloucester south of the escarpment."

It was primarily a concern that the traffic which would be generated by a larger community could not be handled by existing and proposed transportation routes that resulted in the placing of these limits on the size of the East Urban Community. Since then, however, evidence was presented to the Ontario Municipal Board to the effect that upwards of some 75,000 persons could be accommodated in the East Urban Community, due essentially to changes in population distribution being proposed in the RMOC Official Plan - namely, the deletion of the urban community originally called for near Carlsbad Springs. Thus, in its decision of October 26, 1978 and February 9, 1979, the Ontario Municipal Board provided for the following:

> "An urban community of approximately 75,000 persons east of the greenbelt located generally in that portion of the Townships of Gloucester and Cumerland west of a line drawn from a point of intersection of Regional Roads No. 31 and 34 and perpendicular to Regional Road 30 (Innes Road), east of the easterly limits of the greenbelt, north of Innes Road or Regional Road 30 running northerly to the Ottawa River."

Since then, the Region has passed and the Minister has approved an Official Plan Amendment that sets the ultimate population threshold for the East Urban Community at some 75,000 persons,with any increases beyond that subject to road capacities and availability of services.

From a historic perspective, the development focus for the proposed East Urban Community has clearly always been at the site of the old Town of Orleans. With an ultimate population in the order of 75,000 persons, this planned Community situated outside or beyond the greenbelt is in reality

EASTERN STUDY AREA

TABLE 16

CURRENT AND PROJECTED POPULATION CHARACTERISTICS THE ORLEANS TRADE AREA IN RELATION TO THE EASTERN STUDY AREA

	1980		1983		1986		1991		1996		2001
EASTERN STUDY AREA - HIGH(1	163,500		176,000		188,000		210,000		228,000		237,000
Periodic Growth		12,500		12,000		22,000		18,000		9,000	
Annual Growth		4,167		4,000		4,400		3,600		1,800	
ORLEANS TRADE AREA - HIGH	52,500		58,500		64,000		74,500		83,000		87,000
Periodic Growth		6,000		5,500		10,500		8,500		4,000	
Annual Growth		2,000		1,833		2,100		1,700		800	
% Of Eastern Study Area	32.1%		33.2%		34.0%		35.5%		36.4%		36.7%
% Of Eastern Study Area Growth		48.0%		45.8%		47.7%		47.2%		44.4%	
EASTERN STUDY AREA - LOW(2	163,500		174,500		184,000		193,000		206,000		217,000
Periodic Growth		11,000		9,500		9,000		13,000		11,000	
Annual Growth		3,667		3,167		1,800		2,600		2,200	
ORLEANS TRADE AREA - LOW	52,500		59,500		65,750		71,500		79,500		87,000
Periodic Growth		7,000		6,250		5,750		8,000		7,500	
Annual Growth		2,333		2,083		1,150		1,600		1,500	
% Of Eastern Study Area	32.1%		34.1%		35.7%		37.0%		38.6%		40.1%
% Of Eastern Study Area Growth		63.6%		65.8%		63.9%		61.5%		68.2%	

SOURCE: Larry Smith & Associates Ltd.

1) Reflecting in full the Scenario 'B' projections prepared for the Regional Municipality of Ottawa-Carleton and its component parts by the RMOC Planning Department in the Summer of 1980.
2) Reflecting in full the Scenario 'A' projections prepared by the RMOC Planning Department in the Summer of 1980.

a self-contained sub-regional urban focus relative to the Ottawa CBD. As a satellite community it legitimately and rightfully warrants its own town centre. Given these geographic circumstances, it is also legitimate and appropriate in planning the future scale and distribution of retail facilities located there to address the question of the effective retail trade area to be serviced by the retail facilities located in Orleans.

We have addressed this question carefully and have defined a trade area which represents essentially the eastern most sub-set of the Eastern Study Area: its western limit would not extend beyond or inside the Ottawa greenbelt while its northern and eastern limits would coincide with those of the ESA thereby encompassing the Town of Rockland and Clarence Township. The western limit of the Orleans trade area, some 3.0 miles west of the designated Town Centre site, contains within it the 'inboard' population residing in Blackburn Hamlet and reflects as well the competitive influence of retail facilities located in the Ottawa Central Area and at the St. Laurent Shopping Centre and other retail stores located along St. Laurent Boulevard in the vicinity of the Queensway. The trade area's eastern limit extends some 18.5 miles east of the designated Town Centre site where it is limited by distance and driving times and reflects not only the probable drawing power of the planned Orleans Town Centre facility itself but also the retail attraction of the total urbanized area of metropolitan Ottawa on these 'outboard' eastern rural communities.

Table 16 presents both High and Low population growth forecasts for the above defined Orleans trade area reflecting the RMOC Planning Department's 'B' and 'A' population growth scenarios respectively and relates them to the alternative High and Low growth projections for the Eastern Study Area of which it is a part. Thus, it may be seen that under either scenario the Orleans trade area including the 'outboard' population of the Town of Rockland and the Township of Clarence is projected to increase from an estimated 52,500 persons in 1980 to some 87,000 persons by the year 2001 for an average increase in population of some 1,643 persons per year. The projections for intermediate years vary under the two growth scenarios with the High projection calling for lower initial growth and higher or faster medium term growth than the Low scenario which features stronger early growth, slower intermediate growth and faster long term growth. Under the High growth scenario, the Orleans trade area would increase its share of the ESA from some 32.0% to almost 37.0%. In order to accomplish this, the Orleans trade area would have to attract an average of about 47.0% of total projected Eastern Study Area population growth.

Included within the designated Orleans Town Centre site is property located in the southeast quadrant of the intersection of Champlain Street and Highway 17 and stretching in part all the way southward to Boulevard St. Joseph. It is currently occupied by the first phase of an enclosed mall development called Place D'Orleans, (map key 20A) which is slated for

further expansion. It is considered the most likely focus for expanded Town Centre retail development in future years. It is understood at this time that the developer is seeking approval for an expansion of the Centre from its present 125,000 square feet GLA to approximately 250,000 square feet which would include a discount department store of some 100,000 square feet along with additional specialty DSTM space of some 20,000 square feet. With the projected future growth in population in Orleans in particular but in the balance of its trade area as well, it is anticipated that a further expansion of the Town Centre development will be warranted in the future, probably around 1991, including the provision of a traditional department store of some 100,000 square feet GLA and a like amount of additional nondepartment store DSTM space. The provision of these kinds of additional retail facilities in Orleans will provide residents of the Orleans trade area with a better balanced local retail structure which will in turn result in a recapture of much of the current expenditure outflow, particularly of those dollars now flowing to St. Laurent Shopping Centre (map key 11A) and other nearby retail facilities located along St. Laurent Boulevard.

The St. Laurent Shopping Centre Expansion (Map Key 11A)

As was noted earlier in Section V on retail/service competition, there is an expansion of St. Laurent Shopping Centre currently underway totalling 55,000 square feet of space of which it is estimated some 40,000 square feet GLA will be ancillary DSTM facilities. This construction is scheduled to be completed early in 1981. A further expansion totalling an additional 120,000 square feet with a Simpsons department store as the tenant has also been proposed and a building permit issued. Although final detailed plans are unknown at this time, it is assumed for purposes of this analysis that the earliest date of operation for such a store would be 1983.

The Admiral Leaseholds Site (Map Key 16A)

Immediately adjacent to the proposed Eastgate Shopping Centre site, on the east side of Blair Road, is the Admiral Leaseholds site which is zoned to permit major retail development. The last known details for this development proposal called for a total GLA of some 181,300 square feet, to be comprised of a 59,000 square foot Canadian Tire store, a 45,000 square foot supermarket of some 56,000 square feet of retail mall space. For purposes of this analysis, we have assumed a continued future commitment to the development as described above with some 50,000 square feet of nondepartment store DSTM space to be operating in the market by 1983. This we believe is a conservative assumption recognizing that the site zoning in association with the adjacent Loblaws facility offers the real opportunity for development of a substantial DSTM shopping centre at this location, including department store facilities.

TABLE 17

EASTERN STUDY AREA
RESIDUAL DEMAND vs POTENTIAL SUPPLY
DEPARTMENT STORE SPACE - HIGH
(SQ.FT. GLA)

	1983	1986	1991	1996	2001
St. Laurent Expansion 120,000 Sq.Ft. @ 83.0% Effectiveness	100,000	100,000	100,000	100,000	100,000
Orleans Town Centre 100,000 Sq.Ft. @ 95.0%	95,000	95,000			
100,000 200,000 Sq.Ft. @ 90.0%			180,000	180,000	180,000
TOTAL	195,000	195,000	280,000	280,000	280,000
Additional Local Space Demand	40,000	105,000	225,000	315,000	370,000
(Deficit)/Surplus Additional Local Demand Available To Support Eastgate Proposal	(155,000)	(90,000)	(55,000)	35,000	90,000

SOURCE: Larry Smith & Associates Ltd.

Residual Demand versus Potential Supply

In Tables 17 and 18, the projected effectiveness of the above retail development proposals within the Eastern Study Area is shown for department store facilities and nondepartment store DSTM space respectively. 'Effective space' is that portion of the total space of a competitive unit or group of stores which is supported by the expenditures of Eastern Study Area residents. For example, as shown on Table 17, the effectiveness of the proposed third department store of some 120,000 square feet at St. Laurent Shopping Centre has been recognized by the assignment of an 83.0% effectiveness factor. That is, we estimate that some 83.0% of this 120,000 square foot GLA store, or some 100,000 square feet, would rely for support upon the local expenditure potential of Eastern Study Area residents. The 20,000 square feet of space comprising the balance of this store would draw support from outside the ESA, primarily from population residing 'inboard' in the area west of the Eastern Study Area boundary.

Similarly, we have also recognized the anticipated local effectiveness of the planned department store facilities to be introduced in phased sequence at the Orleans Town Centre. Thus, it is estimated that the 100,000 square foot discount department store proposed as part of the Phase II expansion at this site would be operational by 1983, at which time some 95.0% of its support would come from residents of the Eastern Study Area. In other words, the effective space of this store would total 95,000 square feet GLA. It is anticipated that this degree of effectiveness would remain more or less constant until around 1991 when the introduction of a second 100,000 square foot department store, operated by a traditional type tenant, would create a stronger pull for the overall Town Centre. Under those circumstances, the area of influence would be extended and the local ESA support level for department store space would fall to some 90.0%. Thus, in 1991 and thereafter, effective local department store space is estimated at about 180,000 square feet out of a total of some 200,000 square feet of space.

A comparison of local residual space demand with projected additional effective local space supply provides a useful measure of the need for any additional department store facilities in the Eastern Study Area such as those that would anchor a regional centre at the Eastgate site. There will be an estimated excess of potential supply over residual space demand amounting to 155,000 square feet in 1983, the excess decreasing to 55,000 square feet by 1991. A surplus of residual demand emerges by 1996 amounting to some 35,000 square feet increasing to some 90,000 square feet by the year 2001. Low growth estimates are included in the Appendix Table A-17.

A similar comparison of the residual demand for and potential supply of nondepartment store DSTM space in the Eastern Study Area is presented in Table 18. A potential surplus of space is anticipated up until 1996 when a modest deficit of 3,000 square feet is shown, increasing to some 43,000 square feet by the turn of the century. Low growth estimates are presented in Table A-18 in the Appendix.

TABLE 18

EASTERN STUDY AREA
RESIDUAL DEMAND vs POTENTIAL SUPPLY
NONDEPARTMENT STORE DSTM SPACE - HIGH
(SQ.FT. GLA)

	1983	1986	1991	1996	2001
St. Laurent Expansion 40,000 @ 85.0%	34,000	34,000	34,000	34,000	34,000
Orleans Town Centre 20,000 @ 95.0%	19,000	19,000			
105,000 / 125,000 @ 90.0%			113,000	113,000	113,000
Admiral Leaseholds 50,000 @ 90.0%	45,000	45,000	45,000	45,000	45,000
TOTAL	98,000	98,000	192,000	192,000	192,000
Additional Local Space Demand	45,000	65,000	130,000	195,000	235,000
(Deficit)/Surplus Additional Local Demand Available To Support Eastgate Proposal And/Or Other Retail Developments	(53,000)	(33,000)	(62,000)	(3,000)	43,000

SOURCE: Larry Smith & Associates Ltd.
1) Excluding TBA.

We have conducted residual demand versus potential supply analyses for the Apparel/Accessories and the Other Specialty DSTM categories within the Eastern Study Area which are included in the Appendix (Tables A-19 to A-22).

Conclusion

The residual analysis technique provides a measure of the ease of entry into a market for new facilities without their impacting on current sales performance of existing operators in the market. When residual space demand is set against future supply proposals we have a useful test of the need for further supply to satisfy expected future demand in the market.

In applying the residual technique of analysis to the Eastern Study Area market we have the following results under the High growth scenario:

a) Excluding the Eastgate proposal, potential planned and approved supply of additional department store space exceeds residual demand beyond 1991 and even at the turn of the century the unsatisfied residual demand is not expected to reach 100,000 square feet.

b) Again excluding the Eastgate proposal, potential planned and approved supply is greater than residual demand beyond 1991 and by the year 2001 the unsatisfied residual demand is expected to be less than 50,000 square feet.

Employing the Low growth scenario, the need for a regional centre at Eastgate is deferred even further into the future:

c) The potential supply of additional approved and planned department store space, excluding the Eastgate proposal, exceeds residual demand beyond 1996. Even at the turn of the century the unsatisfied residual demand is estimated at 25,000 square feet which is only about a quarter of the space required by a single traditional department store tenant.

d) The potential supply of nondepartment store DSTM space, excluding the Eastgate proposal, is greater than residual demand beyond the turn of the century.

A true regional shopping centre at Eastgate will contain at least two traditional type department stores occupying some 240,000 square feet of space complemented by ancillary or specialty DSTM space totalling 160,000 square feet. A review of existing and likely future representation of traditional department stores in the Ottawa market suggests that Eastgate at best may secure only one traditional department store and one junior or discount department store as anchor tenants. In any event, measured against the results of the residual analysis conducted, the clear conclusion to be drawn is that there is no apparent need for a regional type shopping centre at the Eastgate site before the turn of the century.

TABLE 19

EASTERN STUDY AREA
DEPARTMENT STORE EXPENDITURE PATTERN-HIGH SCENARIO
($ Millions)

	1980	1983	1986		1991		1996	
			Excl. Eastgate	With Eastgate	Excl. Eastgate	With Eastgate	Excl. Eastgate	With Eastgate
Department Store Potential	$84.4	$101.7	$118.0	$118.0	$144.3	$144.3	$166.8	$166.8
Central Area	$ 9.5	$ 22.9	$ 29.5	$ 20.1	$ 36.1	$ 24.5	$ 41.7	$ 28.4
Suburban Potential	$74.9	$ 78.8	$ 88.5	$ 97.9	$108.2	$119.8	$125.1	$138.4
Outside E.S.A.	$ 4.9	$ 3.9	$ 4.4	$ 3.9	$ 5.4	$ 4.8	$ 6.3	$ 5.5
Within E.S.A.	$70.0	$ 74.9	$ 84.1	$ 94.0	$102.8	$115.0	$118.8	$132.9
St. Laurent	$56.0	$ 52.4	$ 58.9	$ 50.3	$ 61.7	$ 56.4	$ 71.3	$ 64.9
Orleans	-	$ 10.0	$ 10.5	$ 8.9	$ 24.3	$ 19.4	$ 26.1	$ 20.9
Eastgate	-	-	-	$ 21.6	-	$ 24.1	-	$ 27.8
Other	$14.0	$ 12.5	$ 14.7	$ 13.2	$ 16.8	$ 15.1	$ 21.4	$ 19.3

SOURCE: Larry Smith & Associates Ltd. estimates.

SECTION IX

THE IMPACT OF EASTGATE

We have examined the need for a regional shopping centre at the Eastgate site and concluded that there is no apparent need over the next two decades. Nevertheless, we have in this section of the report addressed the question: What if Eastgate were approved for any reason and it were developed as a regional shopping centre - what would the likely impacts be on the sales performance levels of DSTM facilities in the Ottawa Central Area and on the sales performance of major retail nodes in the Eastern Study Area? Would the effects of an Eastgate negate in any way the efforts of the Rideau Area Project to revitalize retailing in the Ottawa Central Area? Would Eastgate in any way affect the development of retail facilities at the Orleans Town Centre to serve East Urban Community residents?

Eastern Study Area Department Store Expenditure Patterns

We have conducted an analysis of the Eastern Study Area residents' department store expenditure pattern in the base year 1980 and developed estimates of the pattern which we believe will emerge at selected dates in the future out to 1996.

The year 1983 is selected for analysis since we believe it will be the first year of operation for Rideau Centre. We also anticipate the Phase II expansion of Champlain Place in the Orleans Town Centre to be operational by that date. There is also sufficient lead time for the third department store at St. Laurent Shopping Centre to be operational by 1983.

Beyond 1983, the next year selected for analysis is 1986. By that time it is conceivable that a regional centre could be operational at the Eastgate site if the requisite planning and development approvals are granted. Thus, for the year 1986 and at five year intervals thereafter up to 1996, we have prepared estimates of the department store expenditure pattern of Eastern Study Area residents both with and without a regional shopping centre operational at Eastgate. In this way we have been able to isolate the expected effect of introducing the Eastgate project into the retail network at various points in time in the future. We have not carried the analysis beyond 1996 since if the case for Eastgate remains not proven within a fifteen year horizon then it is clearly premature to be debating an official plan amendment at this point in time.

In Table 19 the department store expenditures of Eastern Study Area residents are shown distributed amongst the major retail nodes or locations which either exist now or will be competing for study area residents' patronage in the future. The distribution pattern for 1980, the base year, reflects conclusions drawn from the results of the consumer survey. Thus, department store potential in 1980 in the hands of Eastern Study Area residents is calculated at $84.4 million. The Central Area department stores capture $9.5 million, which means $74.9 million is spent in suburban department stores (including any expenditures outside the regional market boundaries).

The expenditure in department stores located within the Eastern Study Area itself is $70.0 million in 1980. The dominant department store node in the ESA at present is unquestionably St. Laurent Shopping Centre with two large traditional type department store tenants, Sears and The Bay. Together these department stores attract an estimated $56.0 million in sales from ESA residents in the base year. Other department stores in the ESA at present consisting for the most part of discount department store facilities account for $14.0 million of ESA residents' department store expenditures.

The development assumptions which underly the calculations presented in Table 19 warrant some discussion at this point. It is assumed that the Rideau Centre project Phase I will proceed with the introduction of a new Eatons facility occupying 240,000 square feet. There will also be an expansion by existing Rideau Area department stores approximating 120,000 square feet. These developments are assumed to be operating by 1983. Expansion of the Eatons store by an additional 160,000 square feet is assumed not to take place until the 1991-1996 interval. Within the ESA, a third traditional type department store occupying 120,000 square feet is assumed to be in place at St. Laurent by 1983. Out in Orleans within the Town Centre a discount department store of 100,000 square feet is projected as part of the retail network in 1983. By 1991, based on projected population thresholds in the trade area which would logically apply to the Orleans Town Centre as a sub-regional retail node we can anticipate the demand for and development of a traditional type department store in the Town Centre to complement the discount department store facility and provide Orleans trade area residents with a broader choice of department store shopping closer to home. These are the department store development assumptions underlying the department store expenditure patterns excluding Eastgate.

To obtain a proper measure of the impact which a regional shopping centre at Eastgate will have on other retail nodes it would be necessary to know the identity of the department store tenants. A true regional shopping centre we have already noted would have two traditional type department stores as anchor tenants. Reviewing the representation of department stores in the Ottawa market we must eliminate Eaton's, The Bay, Simpsons, and Sears as prospective traditional department store tenants at the Eastgate site. Similarly, we do not believe K-Mart, Zellers or Towers will be available as discount department store tenants. For the purposes of the impact analysis in this report, we have assumed that a regional shopping centre at Eastgate will consist of one traditional type department store and one discount department store occupying collectively a total of 240,000 square feet of gross leasable area.

In 1983 the Ottawa CBD is projected to capture an estimated $22.9 million of ESA residents' department store potential. The increase from $9.5 million in 1980 is attributed to the increased drawing power of the Rideau Area department stores in the Eastern Study Area. The discount department store in the Orleans Town Centre is expected to draw off $10.0 million from total ESA department store potential. The combined effect of the Rideau Centre Project and the introduction of a department store in Orleans by 1983 will

have the effect of depressing the sales derived at other ESA nodes from trade area residents to levels below those obtaining in the base year 1980. This includes St. Laurent which it is assumed by this time has effectively added a third traditional type department store. The analysis assuming no Eastgate has been repeated for 1986, 1991 and 1996.

The first consideration we have to deal with when we inject the assumption of an Eastgate regional centre with one traditional type department store and one discount department store as major tenants into the distribution equations already described is what will the effect be on the share of Eastern Study Area potential flowing to the Ottawa Central Area. In 1980 the Central Area share is about 11%. In 1986, without an Eastgate the share is estimated at 25%. With an Eastgate, the share in our opinion will be cut back quite dramatically. Even recognizing that the Central Area would have an Eaton's department store which would not be present anywhere in the Eastern Study Area we cannot foresee the Central Area share with an Eastgate being any higher than 15% to 17%. For the purpose of developing the analysis in Table 19 we have used the high end of the range, 17%.

Introduction of an Eastgate project will reduce the department store dollars flowing to suburban department stores outside the ESA as defined. Recognizing the self-containment characteristics of the market served from the Town Centre in Orleans plus the type of department store in the Town Centre, the effect of Eastgate on Orleans in 1986 will be to reduce support from ESA residents by 15%. Other ESA department store space, excluding that at St. Laurent, is principally occupied by discount type department stores and collectively the transfer of sales support they receive from ESA residents is not expected to exceed 10%. The balance of the unassigned ESA department store potential is that for which St. Laurent and Eastgate will compete most vigorously and directly. Our evaluation of the relative success which each of these centres is likely to achieve recognizing their proximity and their respective locations on the Queensway yields estimated department store sales at St. Laurent in 1986 from ESA residents amounting to $50.3 million. The comparable figure for Eastgate is $21.6 million.

The largest transfers of sales resulting from the introduction of a regional centre at Eastgate will be felt in the Ottawa Central Area and at St. Laurent. In 1986, the transfer of ESA residents' support from the Ottawa CBD to Eastgate will be some $9.4 million. The transfer from St. Laurent will be an estimated $8.6 million. If the regional centre at Eastgate were introduced into the retail network in 1991 or even as late as 1996, the largest transfers in absolute terms would still occur between Eastgate and the Ottawa CBD and St. Laurent Shopping Centre.

A comparable analysis under the 'Low' growth scenario is included in the Appendix (Table A-23) which offers essentially the same general conclusion.

Nondepartment Store DSTM Expenditure Pattern

An analysis of the distribution of ESA residents' nondepartment store DSTM potential by major node or location was conducted along the same lines as the department store expenditure pattern analysis and is presented in Table 20. The table should accordingly be interpreted in a similar manner. What should be stated at this juncture, however, are the development assumptions relating to the different nodes. In the Central Area, we are assuming some

TABLE 20

EASTERN STUDY AREA
NONDEPARTMENT STORE DSTM EXPENDITURE PATTERN(1)-HIGH SCENARIO
($ Millions)

	1980	1983	1986		1991		1996	
			Excl. Eastgate	With Eastgate	Excl. Eastgate	With Eastgate	Excl. Eastgate	With Eastgate
Nondepartment Store Potential	$119.8	$129.4	$141.0	$141.0	$165.4	$165.4	$191.1	$191.1
Central Area	$ 19.2	$ 32.4	$ 38.8	$ 28.2	$ 45.5	$ 33.1	$ 52.6	$ 38.2
Suburban Potential	$100.6	$ 97.0	$102.2	$112.8	$119.9	$132.3	$138.5	$152.9
Outside E.S.A.	$ 35.2	$ 24.2	$ 25.5	$ 22.6	$ 30.0	$ 26.5	$ 34.6	$ 30.6
Within E.S.A.	$ 65.4	$ 72.8	$ 76.7	$ 90.2	$ 89.9	$105.8	$103.9	$122.3
St. Laurent	$ 22.0	$ 24.8	$ 26.0	$ 23.9	$ 27.0	$ 26.5	$ 31.2	$ 30.6
Orleans	$ 8.6	$ 11.6	$ 12.3	$ 10.5	$ 28.8	$ 23.0	$ 33.2	$ 26.6
Eastgate	-	-	-	$ 21.9	-	$ 24.8	-	$ 28.7
Other	$ 34.8	$ 36.4	$ 38.4	$ 33.9	$ 34.1	$ 31.5	$ 39.5	$ 36.4

SOURCE: Larry Smith & Associates estimates.
1) Excludes TBA Expenditures.

275,000 square feet of specialty DSTM facilities will be developed strictly in the context of the Rideau Centre Project itself by 1983 plus an additional 50,000 square feet by other property owners in the Rideau Area. By 1991, we expect the revitalization program will bring another 53,000 square feet into operation, followed by an addition of yet another 100,000 square feet by 1996. At St. Laurent an expansion of ancillary space is currently underway of which we have assumed 40,000 square feet will be ancillary DSTM space. Accompanying the introduction of a discount department store at Champlain Place in the Orleans Town Centre will be a modest amount of additional specialty DSTM space, no more than about 20,000 square feet. At the time the traditional type department store is introduced into the Orleans Town Centre we would expect an additional 105,000 square feet of specialty DSTM space also to be added in order to achieve a Town Centre complex with an appropriate balance and mix of DSTM facilities to offer trade area residents. In the case of Eastgate, we assume the development of some 160,000 square feet of specialty DSTM space to complement the department store facilities in the creation of a regional shopping centre project at the site. For the balance of the Eastern Study Area we have assumed no net change in the current inventory.

The conclusions to be drawn from Table 20 are similar to those emerging from the analysis of changing department store expenditure patterns with one important difference. The transfer effect of introducing an Eastgate will fall most heavily and directly on ancillary DSTM operators in the Ottawa Central Area and particularly, the Rideau Area merchants. St. Laurent will experience fairly modest net transfer of sales by comparison. In nondepartment store DSTM space terms, St. Laurent and Eastgate would be almost comparable, however, St. Laurent with the added department store draw is expected to fair better than Eastgate. The nondepartment store DSTM expenditure pattern analysis under the 'Low' growth scenario is presented in Table A-24 in the Appendix.

DSTM Performance Levels At Selected Major Nodes

The differences in sales volumes captured at the various nodes from Eastern Study Area residents with and without an Eastgate in the retail network do not themselves indicate whether they represent acceptable levels of sales transfers and impacts. Such a measure of the market implications of developing the Eastgate site for regional shopping centre purposes is developed and presented in the balance of this section of our study. The measure takes the simple form of identifying the expected sales performance level at each of the major nodes patronized by ESA residents and comparing it with a target performance level. The measure is taken for department stores and nondepartment store DSTM facilities separately at each node and summarized in Tables 21 and 22. In these tables column A excludes Eastgate from consideration, column B assumes it is operational. For each node we have cited estimated total sales from all sources (including ESA residents) the total inventory of space at the node, the resultant performance level factor expressed in sales per square foot, and a target performance level

TABLE 21

DEPARTMENT STORE DSTM PERFORMANCE LEVELS AT SELECTED MAJOR RETAIL NODES
HIGH SCENARIO

	1980	1983	1986		1991		1996	
			A	B	A	B	A	B
CENTRAL AREA:								
Total Sales ($ Millions)	$ 51.6	$ 88.3	$114.7	$105.3	$137.3	$125.7	$158.0	$144.7
Total Space-Sq.Ft. GLA	572,000	932,000	932,000	932,000	932,000	932,000	1,092,000	1,092,000
Sales/Sq. Ft.	$90	$95	$123	$113	$147	$135	$145	$133
(Target Performance Level)		($125)	($130)		($140)		($155)	
ST. LAURENT								
Total Sales ($ Millions)	$ 76.4	$ 63.1	$ 71.0	$ 60.6	$ 74.3	$ 68.0	$ 85.9	$ 78.2
Total Space-Sq.Ft. GLA	307,000	427,000	427,000	427,000	427,000	427,000	427,000	427,000
Sales/Sq. Ft.	$249	$148	$166	$142	$174	$159	$201	$183
(Target Performance Level)		($140)	($145)		($155)		($165)	
ORLEANS								
Total Sales ($ Millions)	-	$ 10.5	$ 11.0	$ 9.4	$ 27.0	$ 21.6	$ 29.0	$ 23.2
Total Space-Sq.Ft. GLA	-	100,000	100,000	100,000	200,000	200,000	200,000	200,000
Sales/Sq. Ft.	-	$105	$110	$94	$135	$108	$145	$116
(Target Performance Level)		($105)	($110)		($135)		($145)	
EASTGATE								
Total Sales ($ Millions)	-	-	-	$ 24.7	-	$ 27.5	-	$ 31.8
Total Space-Sq.Ft. GLA	-	-	-	240,000	-	240,000	-	240,000
Sales/Sq. Ft.	-	-	-	$103	-	$115	-	$133
(Target Performance Level)				($125)		($135)		($145)
OTHER EASTERN STUDY AREA FACILITIES								
Total Sales ($ Millions)	$ 20.0	$ 17.9	$ 21.0	$ 18.9	$ 24.0	$ 21.6	$ 30.6	$ 27.6
Total Space-Sq.Ft. GLA	274,000	274,000	274,000	274,000	274,000	274,000	274,000	274,000
Sales/Sq. Ft.	$73	$65	$77	$69	$88	$78	$112	$101
(Target Performance Level)		($89)	($93)		($100)		($105)	

SOURCE: Larry Smith & Associates Ltd.

A = Excludes Eastgate.

B = Includes Eastgate.

factor, also in sales per square foot. The target levels reflect our best judgement as to the sales levels that retail operators should achieve to earn a normal rate of return on their entrepreneurial effort and investment, recognizing the date in question, the mix of old and new facilities, the different types of facilities (e.g. traditional vs discount department stores) and the location of the node in question.

Department Store Performance Levels

In the Central Area, without Eastgate, department stores as a group, old and new, are not expected to attain the desired target performance level until 1988-1989. The amount of new space planned for the CBD within the Rideau Area Project is substantial, some 360,000 square feet which is equivalent to 60% of all the department store space in the CBD today. Although as we have seen in our earlier analyses department store sales in the CBD are projected to increase with the development of Rideau Centre, the real benefit of the whole revitalization effort as far as department stores are concerned will not materialize for a period of 5 to 6 years after the opening of Rideau Centre. In Table 21, we have for analytical purposes assumed that the Eatons store in Rideau Centre would be expanded by some 160,000 square feet in the 1991-1996 interval. The fact that the Central Area average performance level under that assumption emerges in 1996 below target (again assuming no Eastgate), may well cause the expansion of Eatons (which is required we believe if the CBD's role in the regional department store market is not to fall prematurely prey to erosion) to be postponed until after 1996.

At St. Laurent, the introduction of a third department store plus the combined effects of a revitalized Central Area and the Phase II expansion at the Orleans Town Centre will serve to bring the performance level of the department store space in line with target in 1983. Beyond that date, without an Eastgate, department store sales performance at St. Laurent is expected to continue to rise above the target level right through to 1996.

Without a regional centre at Eastgate, department store performance at Orleans can be expected to be on target. Other department store facilities in the Eastern Study Area, principally discount type department stores are expected to feel an initial impact in 1983 with the introduction of Rideau Centre and expansions at St. Laurent and Orleans but thereafter show steady improvement and obtain the target performance level in the 1991-1996 interval.

Under the assumption that Eastgate is developed as a regional shopping centre, the projected performance of CBD department stores emerges some 15% below target in 1986. By 1991 the net impact is reduced to a performance which is around 4% below target. However, looking beyond 1991 and the need to provide for the expansion of CBD department stores, we find that the development of Eastgate as of 1996 together with an expanded CBD would see

the CBD performance level again depressed some 15% below target. We should point out that these estimates of the impact of Eastgate on CBD department store performance levels are conservative since they only take into account the change in Eastern Study Area residents' expenditures in the CBD. No attempt has been made in the calculations presented to reflect the effect of Eastgate redirecting non-Eastern Study Area residents' expenditures from the CBD to the Eastgate site.

These comments on the impact of an Eastgate on CBD department store performance level are couched in terms of average performance throughout the CBD. There is we believe the real prospect of the burden of impact falling almost entirely on the older existing space. In such circumstances we have estimated that existing facilities in the CBD will miss target performance level by more than 25% in 1986 and by more than 40% in 1996. There is no doubt that this is critical impact.

At St. Laurent, the introduction of Eastgate will depress department store performance marginally below the target level in 1986. Recovery to the target performance level is anticipated before 1991.

At Orleans Town Centre, the department store performance level is projected at 15% below target in 1986 with Eastgate in the retail network. What is more, given the expansion of the Town Centre by 1991 to include a traditional type department store, Town Centre department stores in the aggregate will operate some 20% below the target performance level. The remaining department store facilities in the ESA will be reduced to operating some 25% below target in 1986 and only approach target levels some 10 years later. Impact of this order is critical in our opinion.

A most interesting result of the performance level analysis conducted is the conclusion that Eastgate department store facilities are not expected to attain target performance at any time between 1986 and 1996.

An analysis of department store performance levels under the 'Low' growth scenario is presented in the Appendix (Table A-25).

Nondepartment Store DSTM Performance Levels

Estimates of the performance level of nondepartment store DSTM facilities at the nodes selected for study are given in Table 22. Interpretation of the data should be done in the same manner as described for department store performance levels.

In the CBD, the introduction of Eastgate is expected to depress performance to levels ranging between 6% and 7% below target through to 1996, which by itself does not appear to be too onerous. However, the greater retailing strength of existing nondepartment store DSTM facilities in the western sector of the CBD focused on Sparks Street Mall and of the new space which will go into the Rideau Area Project suggests that they are less likely to incur the impact of an Eastgate than the older existing ancillary DSTM facilities in the Rideau Area on the east side of the Canal. Under such

TABLE 22

NONDEPARTMENT STORE DSTM PERFORMANCE LEVELS
AT SELECTED MAJOR RETAIL NODES
HIGH SCENARIO

			1986		1991		1996	
CENTRAL AREA:	1980	1983	A	B	A	B	A	B
Total Sales ($ Millions)	$116.9	$156.6	$186.3	$175.7	$213.7	$201.3	$245.8	$231.4
Total Space-Sq.Ft. GLA	822,100	1,147,000	1,147,000	1,147,000	1,200,000	1,200,000	1,300,000	1,300,000
Sales/Sq. Ft.	$142	$137	$162	$153	$178	$168	$189	$178
(Target Performance Level)		($155)	($165)		($180)		($190)	
ST. LAURENT								
Total Sales ($ Millions)	$ 27.9	$ 29.2	$ 30.6	$ 28.1	$ 31.8	$ 31.2	$ 36.7	$ 36.0
Total Space-Sq.Ft. GLA	127,200	167,200	167,200	167,200	167,200	167,200	167,200	167,200
Sales/Sq. Ft.	$219	$175	$183	$168	$190	$187	$219	$215
(Target Performance Level)		($165)	($175)		($185)		($200)	
ORLEANS								
Total Sales ($ Millions)	$ 9.1	$ 12.2	$ 12.9	$ 11.1	$ 32.0	$ 25.6	$ 36.9	$ 29.6
Total Space-Sq.Ft. GLA	70,900	90,900	90,900	90,900	195,900	195,900	195,900	195,900
Sales/Sq. Ft.	$128	$134	$142	$122	$163	$131	$188	$151
(Target Performance Level)		($140)	($155)		($170)		($185)	
EASTGATE								
Total Sales ($ Millions)	-	-	-	$ 25.0	-	$ 28.3	-	$ 32.8
Total Space-Sq.Ft. GLA	-	-	-	160,000	-	160,000	-	160,000
Sales/Sq. Ft.	-	-	-	$156	-	$177	-	$205
(Target Performance Level)				($175)		($185)		($200)
OTHER EASTERN STUDY AREA FACILITIES								
Total Sales ($ Millions)	$ 39.9	$ 40.4	$ 42.7	$ 37.7	$ 37.9	$ 35.0	$ 43.9	$ 40.4
Total Space-Sq.Ft. GLA	445,400	445,400	445,400	445,400	445,400	445,400	445,400	445,400
Sales/Sq. Ft.	$90	$91	$96	$85	$85	$79	$99	$91
(Target Performance Level)		($95)	($100)		($105)		($110)	

SOURCE: Larry Smith & Associates Ltd.
A = Excludes Eastgate.
B = Includes Eastgate.

circumstances, we anticipate that the existing operators in the Rideau Area will miss the target performance level by 20% to 25% over the 1986-1996 period. This we judge reflects critical impact.

At St. Laurent, we expect performance levels to remain for the most part above target. The introduction of Eastgate will produce sales transfers from St. Laurent to Eastgate but not of such magnitude as would precipitate 'critical' impact.

Without an Eastgate, performance levels at Orleans Town Centre are expected to be around 5% below target 1986 and 1991 but marginally above by 1996. On the other hand, the presence of a regional centre at Eastgate will in our opinion drive performance at the Town Centre down to 18% to 23% below target 1986 through 1996, which clearly reflects critical impact.

At other sundry locations in the ESA, the introduction of Eastgate is projected to increase the pressure which will be exerted by a revitalized Ottawa Central Area on the one hand and the development of the Orleans Town Centre on the other. Performance is expected to run 15% to 25% below the target level between 1986 and 1996.

Finally, at Eastgate itself it is significant to note that performance is not expected to match the target level much before 1996.

The analysis of nondepartment store DSTM performance levels at the selected locations under the 'Low' growth scenario is presented in the Appendix (Table A-26).

Conclusions

Our analysis of the impact of creating a regional shopping centre at the Eastgate site within the next 15 years shows that two particularly important components of the retail structure in the Ottawa-Hull Economic Area at large, and more specifically in the Ottawa-Carleton Region, will be seriously jeopardized:

1. The first component which would be seriously impacted is in the Ottawa Central Area and particularly the Rideau Area Project including Rideau Centre. The Eastgate proposal will compete directly for an important segment of the market needed by Rideau Centre and the Rideau Area. The Eastgate proposal will serve to reduce the performance of DSTM facilities in the Central Area below their acceptable target levels, which are defined to afford retail operators a normal return on their entrepreneurial effort and investment. This would mean that private sector developers of the Rideau Centre Project facing the prospect of not earning an adequate return on their investment may elect simply not to proceed with the project. For existing CBD merchants, in particular those in the Rideau Area, one of the principal objectives of the Rideau Area Project, the upgrading of the existing sales performance and retail structure in the Rideau Area will be thwarted.

2. The other important component of the regional retail structure affected by the Eastgate proposal will be the Orleans Town Centre. The development of a regional shopping centre at the Eastgate site in our opinion poses a real threat to the emergence of a timely and viable retail component in the Town Centre. The designation of the Eastern Urban Community and its population target have been approved by the Ontario Municipal Board. Responsible regional planning would seem to us to dictate that the residents of the Eastern Urban Community be served by local facilities to the highest degree possible consistent with a rational regional hierarchy of retail nodes.

We note again, that our evaluation of the market implications of introducing a regional type shopping centre into the retail network at the Eastgate site has been carried out against the background of the Region's population growth forecasts. If actual population growth should prove to be lower than the Region's forecasts, that is, more in line with the growth envisaged by TEIGA, then the market impact of developing the Eastgate site for regional shopping centre purposes will be even more critical than we have detailed in this report.

APPENDIX A

LOW GROWTH SCENARIO ANALYSIS

TABLE A-1

CURRENT AND PROJECTED POPULATION - LOW

	1980	1983	1986	1991	1996	2001
OTTAWA-HULL ECONOMIC AREA	748,000	791,500	831,000	888,000	937,000	985,000
Periodic Growth		43,500	39,500	57,000	49,000	48,000
Annual Growth		14,500	13,167	11,400	9,800	9,600
ONTARIO PORTION ECONOMIC AREA	558,500	589,050	616,000	652,000	681,000	708,000
Periodic Growth		30,550	26,950	36,000	29,000	27,000
Annual Growth		10,183	8,983	7,200	5,800	5,400
OTTAWA-CARLETON REGION	548,000	577,750	604,000	639,000	667,000	693,000
Periodic Growth		29,750	26,250	35,000	28,000	26,000
Annual Growth		9,917	8,750	7,000	5,600	5,200
QUEBEC PORTION ECONOMIC AREA	189,500	202,450	215,000	236,000	256,000	277,000
Periodic Growth		12,950	12,550	21,000	20,000	21,000
Annual Growth		4,317	4,183	4,200	4,000	4,200
EASTERN STUDY AREA	163,500	174,500	184,000	193,000	206,000	217,000
Periodic Growth		11,000	9,500	9,000	13,000	11,000
Annual Growth		3,667	3,167	1,800	2,600	2,200
% Of Economic Area	21.86%	22.05%	22.14%	21.73%	22.00%	22.03%
% Of Economic Area Growth		25.29%	24.05%	15.79%	26.53%	22.92%

SOURCE: Larry Smith & Associates Ltd. and incorporating in full the Scenario 'A' projections prepared for the Regional Municipality of Ottawa-Carleton by the RMOC Planning Department in the Summer of 1980.

TABLE A-2

DSTM POTENTIAL - LOW
($MILLIONS)

	1980	1983	1986	1991	1996	2001
OTTAWA-HULL ECONOMIC AREA - LOW						
Increase In Potential Resulting From Population Growth - Index(1	100.0	105.8	111.1	118.7	125.3	131.7
Increase In Potential Resulting From Increase In Standard Of Living - Index(2	100.0	104.5	109.0	116.5	124.0	131.5
Combined Index	100.0	110.6	121.1	138.3	155.4	173.2
DSTM Potential of Economic Area Residents($Millions)	$1,133.2	$1,253.3	$1,372.3	$1,567.2	$1,761.0	$1,962.7
EASTERN STUDY AREA - LOW						
Increase In Potential Resulting From Population Growth - Index(1	100.0	106.7	112.5	118.0	126.0	132.7
Increase In Potential Resulting From Increase In Standard Of Living - Index(2	100.0	104.5	109.0	116.5	124.0	131.5
Combined Index	100.0	111.5	122.6	137.5	156.2	174.5
DSTM Potential Of Study Area Residents ($Millions)	$241.2	$268.9	$295.7	$331.7	$376.8	$420.9
% Of Economic Area DSTM Potential	21.3%	21.5%	21.5%	21.2%	21.4%	21.4%

SOURCE: Larry Smith & Associates Ltd.
1) Index derived from estimates of population growth for forecast years with 1980 as the base year.
2) Standard of living is estimated to increase at 1.5% per year excluding inflation.

TABLE A-3

OTTAWA-HULL ECONOMIC AREA
DEPARTMENT STORE POTENTIAL AND RESIDUAL SPACE DEMAND - LOW
($MILLIONS)

	1980	1983	1986	1991	1996	2001
DSTH Potential	$1,133.2	$1,253.3	$1,372.3	$1,567.2	$1,761.0	$1,962.7
Department Store Share						
@ 32.5%(1	$ 368.3	$ 407.3				
@ 35.0%		$ 438.7	$ 480.3			
@ 36.5%		$ 457.5	$ 500.9	$ 572.0	$ 642.8	$ 716.4
@ 37.5%			$ 514.6	$ 587.7	$ 660.4	$ 736.0
@ 38.0%				$ 595.5	$ 669.2	$ 745.8
Ottawa Central Area Potential (2						
@ 14.0%(3	$ 51.6	$ 61.4				
@ 20.0%		$ 87.7	$ 100.2	$ 117.5	$ 132.1	$ 147.2
@ 22.5%		$ 98.7	$ 112.7	$ 132.2	$ 148.6	$ 165.6
@ 25.0%			$ 125.2	$ 146.9	$ 165.1	$ 184.0
Residual Potential	N/A	$ 36.1	$ 61.1	$ 80.6	$ 97.0	$ 114.0
Additional Central Area Space Demand (Sq.Ft.GLA)(4						
@ $155 Per Sq.Ft.GLA	N/A	235,000				
@ $165 Per Sq.Ft.GLA			370,000			
@ $175 Per Sq.Ft.GLA				460,000		
@ $185 Per Sq.Ft.GLA					525,000	
@ $195 Per Sq.Ft.GLA						585,000
Suburban Potential						
@ 86.0%	$ 316.7					
@ 80.0%		$ 351.0				
@ 77.5%			$ 389.2	$ 455.5	$ 571.8	$ 570.4
Residual Potential	N/A	$ 34.3	$ 71.5	$ 138.8	$ 195.1	$ 253.7
Additional Suburban Area Space Demand (Sq.Ft.GLA)(4						
@ $130 Per Sq.Ft.GLA	N/A	265,000				
@ $135 Per Sq.Ft.GLA			530,000			
@ $145 Per Sq.Ft.GLA				960,000		
@ $155 Per Sq.Ft.GLA					1,260,000	
@ $165 Per Sq.Ft.GLA						1,540,000
Total Space Demands For Total Economic Area(Sq.Ft.GLA)(5	N/A	500,000	900,000	1,420,000	1,785,000	2,125,000

SOURCE: Larry Smith & Associates Ltd.

1) Reflects the effects of existing competition and the results of the consumer survey.
2) Refers to Census Tracts 48 and 54 in downtown Ottawa.
3) Based on Statistics Canada Department Store sales statistics.
4) Rounded to the nearest 5,000 sq. ft. Gross Leasable Area (GLA).
5) Based on sum of underlined estimates.

N/A = Not Applicable.

TABLE A-4

OTTAWA-HULL ECONOMIC AREA
NON-DEPARTMENT STORE DSTM POTENTIAL- LOW
($MILLIONS)

	1980	1983	1986	1991	1996	2001
Estimated Total DSTM Potential	$1,133.2	$1,253.2	$1,372.3	$1,567.2	$1,761.0	$1,962.7
Less: Department Store Share	$ 368.3	$ 438.7	$ 500.9	$ 587.7	$ 660.4	$ 736.0
Total Non-Department Store DSTM	$ 764.9	$ 814.6	$ 871.4	$ 979.5	$1,100.6	$1,226.7
Distribution By Store Type						
Hardware	$ 19.1	$ 20.4	$ 21.8	$ 24.5	$ 27.5	$ 30.7
Drugs	$ 93.3	$ 99.4	$ 106.3	$ 119.5	$ 134.3	$ 149.7
Other General Merchandise(1	$ 94.9	$ 101.0	$ 108.1	$ 121.4	$ 136.5	$ 152.1
Apparel/Accessories	$ 153.0	$ 162.9	$ 174.3	$ 195.9	$ 220.1	$ 245.3
Household Furnishings	$ 55.8	$ 59.5	$ 63.6	$ 71.5	$ 80.3	$ 89.5
Other Specialty DSTM	$ 168.3	$ 179.2	$ 191.7	$ 215.5	$ 242.1	$ 269.9
TOTAL NON-DEPARTMENT STORE DSTM EXCLUDING TBA	$ 584.4	$ 622.4	$ 665.8	$ 748.3	$ 840.8	$ 937.2

SOURCE: Larry Smith & Associates Ltd.
1) Includes catalogue, variety, mail order and other general merchandise type stores.

TABLE A-5

OTTAWA-HULL ECONOMIC AREA
NONDEPARTMENT STORE DSTM POTENTIAL AND RESIDUAL SPACE DEMAND - LOW

($MILLIONS)

	1980	1983	1986	1991	1996	2001
Non-Department Store DSTM Potential	$584.4	$622.4	$665.8	$748.3	$840.8	$937.2
Ottawa Central Area Potential(2						
@ 20.0%(3	$116.9					
@ 25.0%		$155.6				
@ 27.5%			$183.1	$205.8	$231.2	$257.7
Residual Potential	N/A	$ 38.7	$ 66.2	$ 88.9	$114.3	$140.8
Additional Central Area Space Demand (Sq.Ft. GLA) (4						
@ $185 Per Sq.Ft. GLA	N/A	210,000				
@ $190 Per Sq.Ft. GLA			350,000			
@ $205 Per Sq.Ft. GLA				435,000		
@ $215 Per Sq.Ft. GLA					530,000	
@ $230 Per Sq.Ft. GLA						610,000
Suburban Potential						
@ 80.0%	$467.5					
@ 75.0%		$466.8				
@ 72.5%			$482.7	$542.5	$609.6	$679.5
Residual Potential	N/A	($ 0.7)	$ 15.2	$ 75.0	$142.1	$212.0
Additional Suburban Area Space Demand (Sq.Ft. GLA) (3						
@ $165 Per Sq.Ft. GLA	N/A	N/A				
@ $175 Per Sq.Ft. GLA			85,000			
@ $180 Per Sq.Ft. GLA				415,000		
@ $200 Per Sq.Ft. GLA					710,000	
@ $210 Per Sq.Ft. GLA						1,010,000
Total Space Demands For Total Economic Area(Sq.Ft.GLA) (5	N/A	210,000	435,000	850,000	1,240,000	1,620,000

SOURCE: Larry Smith & Associates Ltd.

1) Excludes TBA.
2) Refers to Census Tracts 48 and 54 in downtown Ottawa.
3) Reflects the effects of existing competition and the results of the consumer survey.
4) Rounded to the nearest 5,000 sq. ft. Gross Leasable Area (GLA).
5) Based on sum of underlined estimates.

N/A = Not Applicable.

TABLE A-6

OTTAWA-HULL ECONOMIC AREA
APPAREL/ACCESSORIES POTENTIAL AND RESIDUAL SPACE DEMAND-HIGH

	1980	1983	1986	1991	1996	2001
Apparel/Accessories Potential	$153.0	$164.0	$177.3	$203.5	$234.0	$267.5
Ottawa Central Area Potential (1						
@ 25.3% (2	$ 38.7	$ 41.5	$ 44.9	$ 51.5	$ 59.2	$ 67.7
@ 30.0%		$ 49.2	$ 53.2	$ 61.1	$ 70.2	$ 80.3
@ 32.5%		$ 53.3	$ 57.6	$ 66.1	$ 76.1	$ 86.9
Residual Potential	N/A	$ 10.5	$ 14.5	$ 22.4	$ 31.5	$ 41.6
Additional Central Area Space Demand (Sq.Ft.GLA) (3						
@ $185 Per Sq.Ft. GLA	N/A	57,000				
@ $190 Per Sq.Ft. GLA			76,000			
@ $205 Per Sq.Ft. GLA				109,000		
@ $215 Per Sq.Ft. GLA					147,000	
@ $230 Per Sq.Ft. GLA						181,000
Suburban Potential						
@ 74.7%	$114.3					
@ 70.0%		$114.8	$124.1	$142.4	$163.8	$187.2
Residual Potential	N/A	$ 0.5	$ 9.8	$ 28.1	$ 49.5	$ 72.9
Additional Suburban Area Space Demand (Sq.Ft.GLA) (3						
@ $165 Per Sq.Ft. GLA	N/A	3,000				
@ $175 Per Sq.Ft. GLA			56,000			
@ $185 Per Sq.Ft. GLA				152,000		
@ $200 Per Sq.Ft. GLA					248,000	
@ $210 Per Sq.Ft. GLA						347,000
Total Space Demands For Total Economic Area (Sq.Ft. GLA) (4	N/A	60,000	132,000	261,000	395,000	528,000

SOURCE: Larry Smith & Associates Ltd.

1) Refers to Census Tracts 48 and 54 in downtown Ottawa.
2) Reflects the effects of existing competition and the results of the consumer survey.
3) Rounded to the nearest 1,000 sq. ft. gross leasable area (GLA).
4) Based on sum of underlined estimates.

N/A = Not Applicable.

TABLE A-7

OTTAWA-HULL ECONOMIC AREA
OTHER SPECIALTY DSTM POTENTIAL AND RESIDUAL SPACE DEMAND-HIGH
($ Millions)

	1980	1983	1986	1991	1996	2001
Other Specialty DSTM Potential	$168.3	$180.4	$195.0	$223.8	$257.4	$294.2
Ottawa Central Area Potential (1						
@ 22.4% (2	$ 37.7	$ 40.4	$ 43.7	$ 50.1	$ 57.7	$ 65.9
@ 27.5%		$ 49.6	$ 53.6	$ 61.5	$ 70.8	$ 80.9
@ 30.0%		$ 54.1	$ 58.5	$ 67.1	$ 77.2	$ 88.3
Residual Potential	N/A	$ 11.9	$ 15.9	$ 23.8	$ 33.1	$ 43.2
Additional Central Area Space Demand (Sq.Ft.GLA) (3						
@ $200 Per Sq.Ft. GLA	N/A	60,000				
@ $205 Per Sq.Ft. GLA			80,000			
@ $220 Per Sq.Ft. GLA				108,000		
@ $235 Per Sq.Ft. GLA					140,000	
@ $250 Per Sq.Ft. GLA						175,000
Suburban Potential						
@ 77.6%	$130.6					
@ 72.5%		$130.8	$141.4	$162.3	$186.6	$213.3
Residual Potential	-	$ 0.2	$ 10.8	$ 31.7	$ 56.0	$ 82.7
Additional Suburban Area Space Demand (Sq.Ft.GLA) (3						
@ $185 Per Sq.Ft. GLA		1,000				
@ $190 Per Sq.Ft. GLA			5,700			
@ $205 Per Sq.Ft. GLA				15,500		
@ $215 Per Sq.Ft. GLA					260,000	
@ $230 Per Sq.Ft. GLA						360,000
Total Space Demands For Economic Area (Sq.Ft. GLA) (4		61,000	137,000	263,000	400,000	535,000

SOURCE: Larry Smith & Associates Ltd.

1) Refers to Census Tracts 48 and 54 in downtown Ottawa.
2) Reflects the effects of existing competition and the results of the consumer survey.
3) Rounded to the nearest 1,000 sq. ft. gross leasable area (GLA).
4) Based on sum of underlined estimates.

N/A = Not Applicable.

TABLE A-8

OTTAWA-HULL ECONOMIC AREA
APPAREL/ACCESSORIES POTENTIAL AND RESIDUAL SPACE DEMAND-LOW
($ Millions)

	1980	1983	1986	1991	1996	2001
Apparel/Accessories Potential	$153.0	$162.9	$174.3	$195.9	$220.1	$245.3
Ottawa Central Area Potential (1						
@ 25.3% (2	$ 38.7	$ 41.2	$ 44.1	$ 49.6	$ 55.7	$ 62.1
@ 30.0%		$ 48.9	$ 52.3	$ 58.8	$ 66.0	$ 73.6
@ 32.5%		$ 52.9	$ 56.6	$ 63.7	$ 71.5	$ 79.7
Residual Potential	N/A	$ 10.2	$ 13.6	$ 20.1	$ 27.3	$ 34.9
Additional Central Area Space Demand (Sq.Ft.GLA) (3						
@ $185 Per Sq.Ft. GLA	N/A	55,000				
@ $190 Per Sq.Ft. GLA			72,000			
@ $205 Per Sq.Ft. GLA				98,000		
@ $215 Per Sq.Ft. GLA					127,000	
@ $230 Per Sq.Ft. GLA						152,000
Suburban Potential						
@ 74.7%	$114.3					
@ 70.0%		$114.0	$122.0	$137.1	$154.1	$171.7
Residual Potential	N/A	($0.3)	$ 7.7	$ 22.8	$ 39.8	$ 57.4
Additional Suburban Area Space Demand (Sq.Ft.GLA) (3						
@ $165 Per Sq.Ft. GLA	N/A	N/A				
@ $175 Per Sq.Ft. GLA			44,000			
@ $185 Per Sq.Ft. GLA				123,000		
@ $200 Per Sq.Ft. GLA					199,000	
@ $210 Per Sq.Ft. GLA						273,000
Total Space Demands For Total Economic Area (Sq.Ft. GLA) (4	N/A	55,000	116,000	221,000	326,000	425,000

SOURCE: Larry Smith & Associates Ltd.

1) Refers to Census Tracts 48 and 54 in downtown Ottawa.
2) Reflects the effect of existing competition and the results of the consumer survey.
3) Rounded to the nearest 1,000 sq. ft. gross leasable area (GLA).
4) Based on sum of underlined estimates.

N/A = Not Applicable.

TABLE A-9

OTTAWA-HULL ECONOMIC AREA
OTHER SPECIALTY DSTM POTENTIAL AND RESIDUAL SPACE DEMAND-LOW
($ Millions)

	1980	1983	1986	1991	1996	2001
Other Specialty DSTM Potential	$168.3	$179.2	$191.7	$215.5	$242.1	$269.9
Ottawa Central Area Potential (1						
@ 22.4% (2	$ 37.7	$ 40.1	$ 42.9	$ 48.3	$ 54.2	$ 60.5
@ 27.5%		$ 49.3	$ 52.7	$ 59.3	$ 66.6	$ 74.2
@ 30.0%		$ 53.8	$ 57.5	$64.7	$ 72.6	$ 81.0
Residual Potential	N/A	$ 11.6	$ 15.0	$ 21.6	$ 28.9	$ 36.5
Additional Central Area Space (Sq.Ft.GLA) (3						
@ $200 Per Sq.Ft. GLA	N/A	58,000				
@ $205 Per Sq.Ft. GLA			73,000			
@ $220 Per Sq.Ft. GLA				98,000		
@ $235 Per Sq.Ft. GLA					123,000	
@ $250 Per Sq.Ft. GLA						146,000
Suburban Potential						
@ 77.6%	$130.6					
@ 72.5%		$129.9	$139.0	$156.2	$175.5	$195.7
Residual Potential		($ 0.7)	$ 8.4	$ 25.6	$ 44.9	$ 65.1
Additional Suburban Area Space Demand (Sq.Ft.GLA) (3						
@ $185 Per Sq.Ft. GLA	N/A	N/A				
@ $190 Per Sq.Ft. GLA			44,000			
@ $205 Per Sq.Ft. GLA				125,000		
@ $215 Per Sq.Ft. GLA					209,000	
@ $230 Per Sq.Ft. GLA						283,000
Total Space Demands for Total Economic Area (Sq.Ft. GLA) (4	N/A	58,000	117,000	223,000	332,000	429,000

SOURCE: Larry Smith & Associates Ltd.

1) Refers to Census Tracts 48 and 54 in downtown Ottawa.
2) Reflects the effects of existing competition and the results of the consumer survey.
3) Rounded to the nearest 1,000 sq. ft. gross leasable area (GLA).
4) Based on sum of underlined estimates.
N/A = Not Applicable.

TABLE A-10

EASTERN STUDY AREA
DEPARTMENT STORE POTENTIAL AND LOCAL RESIDUAL
SPACE DEMAND - LOW

	1980	1983	1986	1991	1996	2001
Study Area Residents' DSTM Potential ($Millions)	$241.2	$268.9	$295.7	$331.7	$376.8	$420.9
Department Store Share						
@ 35.0%(1	$ 84.4	$ 94.1				
@ 37.5%		$100.8	$110.9			
@ 39.0%		$104.9	$115.3	$129.4	$147.0	$164.2
@ 40.0%			$118.3	$132.7	$150.7	$168.4
@ 40.5%				$134.3	$152.6	$170.5
Ottawa Central Area Potential(2						
@ 11.2%(2	$ 9.5	$ 11.3				
@ 22.5%		$ 22.7	$ 25.9	$ 29.9	$ 33.9	$ 38.0
@ 25.0%		$ 25.2	$ 28.8	$ 33.2	$ 37.7	$ 42.1
@ 27.5%			$ 31.7	$ 36.5	$ 41.4	$ 46.3
Suburban Potential	$ 74.9	$ 78.1	$ 86.5	$ 99.5	$113.0	$126.3
Local Share						
@ 93.5%(3	$ 70.0	$ 73.0	$ 80.9	$ 93.0	$105.7	$118.1
@ 95.0%		$ 74.2	$ 82.2	$ 94.5	$107.4	$120.0
@ 96.0%		$ 75.0	$ 83.0	$ 95.5	$108.5	$121.2
Local Residual Potential	N/A	$ 4.2	$ 12.2	$ 24.5	$ 37.4	$ 50.0
Additional Local Space Demand(4						
@ $130 Per Sq.Ft.GLA	N/A	30,000				
@ $135 Per Sq.Ft.GLA			90,000			
@ $145 Per Sq.Ft.GLA				170,000		
@ $155 Per Sq.Ft.GLA					240,000	
@ $165 Per Sq.Ft.GLA						305,000

SOURCE: Larry Smith & Associates Ltd.

1) Reflects the effects of existing competition and the results of the consumer survey.
2) Refers to Census Tracts 48 and 54 in downtown Ottawa.
3) Reflects the results of the consumer survey.
4) Rounded to the nearest 5,000 Sq.Ft. Gross Leasable Area (GLA).
N/A = Not Applicable

TABLE A-11

EASTERN STUDY AREA
NON-DEPARTMENT STORE DSTM POTENTIAL - LOW
($MILLIONS)

	1980	1983	1986	1991	1996	2001
Estimated Total DSTM Potential	$241.2	$268.9	$295.7	$331.7	$376.8	$420.9
Less: Department Store Share	$ 84.4	$100.8	$115.3	$132.7	$150.7	$168.4
Total Non-Department Store DSTM	$156.8	$168.1	$180.4	$199.0	$226.1	$252.5
Distribution By Store Type						
Hardware	$ 3.9	$ 4.2	$ 4.5	$ 5.0	$ 5.7	$ 6.3
Drugs	$ 19.1	$ 20.5	$ 22.0	$ 24.3	$ 27.6	$ 30.8
Other General Merchandise(1	$ 19.4	$ 20.8	$ 22.4	$ 24.6	$ 28.0	$ 31.3
Apparel/Accessories	$ 31.4	$ 33.6	$ 36.1	$ 39.8	$ 45.2	$ 50.5
Household Furnishings	$ 11.5	$ 12.3	$ 13.1	$ 14.5	$ 16.5	$ 18.4
Other Specialty DSTM	$ 34.5	$ 37.0	$ 39.7	$ 43.8	$ 49.7	$ 55.6
TOTAL NON-DEPARTMENT STORE DSTM EXCLUDING TBA	$119.8	$128.4	$137.8	$152.0	$172.7	$192.9

SOURCE: Larry Smith & Associates Ltd.
1) Includes catalogue, variety, mail order and other general merchandise type stores.

TABLE A-12

EASTERN STUDY AREA
NONDEPARTMENT STORE DSTM POTENTIAL AND LOCAL RESIDUAL SPACE DEMAND(1 - LOW

	1980	1983	1986	1991	1996	2001
Study Area Residents' Nondepartment Store DSTM Potential ($Millions)	$119.8	$128.4	$137.8	$152.0	$172.7	$192.9
Ottawa Central Area Potential(2						
@ 16.0%(3	$ 19.2	$ 20.5				
@ 25.0%		$ 32.1	$ 34.5	$ 38.0	$ 43.2	$ 48.2
@ 27.5%		$ 35.3	$ 37.9	$ 41.8	$ 47.5	$ 53.0
@ 30.0%			$ 41.3	$ 45.6	$ 51.8	$ 57.9
Suburban Potential	$100.6	$ 96.3	$ 99.9	$110.2	$125.2	$139.9
Local Share						
@ 65.0%(4	$ 65.4					
@ 75.0%		$ 72.2	$ 74.9	$ 82.7	$ 93.9	$104.9
Local Residual Potential	N/A	$ 6.8	$ 9.5	$ 17.3	$ 28.5	$ 39.5
Additional Local Space Demand(5						
@ $165 Per Sq.Ft.GLA	N/A	40,000				
@ $175 Per Sq.Ft.GLA			55,000			
@ $185 Per Sq.Ft.GLA				95,000		
@ $200 Per Sq.Ft.GLA					145,000	
@ $210 Per Sq.Ft.GLA						190,000

SOURCE: Larry Smith & Associates Ltd.

1) Excluding TBA.
2) Refers to Census Tracts 48 and 54 in downtown Ottawa.
3) Reflects the effects of existing competition and the results of the consumer survey.
4) Reflects the results of the consumer survey.
5) Rounded to the nearest 5,000 Sq. Ft. Gross Leasable Area (GLA).
N/A = Not Applicable.

TABLE A-13

EASTERN STUDY AREA
APPAREL/ACCESSORIES POTENTIAL AND LOCAL RESIDUAL SPACE DEMAND - HIGH

	1980	1983	1986	1991	1996	2001
Study Area Residents' Apparel/Accessories Potential ($ Millions)	$ 31.4	$ 33.9	$ 36.9	$ 43.3	$ 50.0	$ 55.2
Ottawa Central Area Potential (1						
@ 31.4% (2	$ 9.9	$ 10.6				
@ 37.5%		$ 12.7	$ 13.8	$ 16.2	$ 18.8	$ 20.7
@ 40.0%		$ 13.6	$ 14.8	$ 17.3	$ 20.0	$ 22.1
@ 42.5%			$ 15.7	$ 18.4	$ 21.3	$ 23.5
Suburban Potential	$ 21.5	$ 21.2	$ 22.1	$ 26.0	$ 30.0	$ 33.1
Local Share						
@ 87.3% (3	$ 18.8					
@ 90.0%		$ 19.1	$ 19.9	$ 23.4	$ 27.0	$ 29.8
Local Residual Potential	N/A	$ 0.3	$ 1.1	$ 4.6	$ 8.2	$ 11.0
Additional Local Space Demand (4						
@ $165 Per Sq.Ft. GLA	N/A	2,000				
@ $175 Per Sq.Ft. GLA			6,000			
@ $185 Per Sq.Ft. GLA				25,000		
@ $200 Per Sq.Ft. GLA					41,000	
@ $210 Per Sq.Ft. GLA						52,000

SOURCE: Larry Smith & Associates Ltd.

1) Refers to Census Tracts 48 and 54 in downtown Ottawa.
2) Reflects the effects of existing competition and the results of the consumer survey.
3) Reflects the results of the consumer survey.
4) Rounded to the nearest 1,000 sq. ft. gross leasable area (GLA).
N/A = Not Applicable.

TABLE A-14

EASTERN STUDY AREA
OTHER SPECIALTY DSTM POTENTIAL AND LOCAL RESIDUAL
SPACE DEMAND - HIGH

	1980	1983	1986	1991	1996	2001
Study Area Residents' Other Specialty DSTM Potential ($ Millions)	$ 34.5	$ 37.3	$ 40.6	$ 47.6	$ 55.0	$ 60.7
Ottawa Control Area Potential (1						
@ 22.0% (2	$ 6.9	$ 8.2				
@ 27.5%		$ 10.3	$ 11.2	$ 13.1	$ 15.1	$ 16.7
@ 30.0%		$ 11.2	$ 12.2	$ 14.3	$ 16.5	$ 18.2
@ 32.5%			$ 13.2	$ 15.5	$ 17.9	$ 19.7
Suburban Potential	$ 27.6	$ 27.0	$ 29.4	$ 33.3	$ 38.5	$ 42.5
Local Share						
@ 70.7% (3	$ 19.5					
@ 80.0%		$ 21.6	$ 23.5	$ 26.6	$ 30.8	$ 34.0
Local Residual Potential	N/A	$ 2.1	$ 4.0	$ 7.1	$ 11.3	$ 14.5
Additional Local Space Demand (4						
@ $185 Per Sq.Ft.GLA	N/A	11,000				
@ $190 Per Sq.Ft.GLA			21,000			
@ $205 Per Sq.Ft.GLA				35,000		
@ $215 Per Sq.Ft.GLA					53,000	
@ $230 Per Sq.Ft.GLA						63,000

SOURCE: Larry Smith & Associates Ltd.

1) Refers to Census Tracts 48 and 54 in downtown Ottawa.
2) Reflects the effects of existing competition and the results of the consumer survey.
3) Reflects the results of the consumer survey.
4) Rounded to the nearest 1,000 sq. ft. gross leasable area (GLA).
N/A = Not Applicable.

TABLE A-15

EASTERN STUDY AREA
APPAREL/ACCESSORIES POTENTIAL AND LOCAL RESIDUAL SPACE DEMAND-LOW

	1980	1983	1986	1991	1996	2001
Study Area Residents' Apparel/Accessories Potential ($ Millions)	$ 31.4	$ 33.6	$ 36.1	$ 39.8	$ 45.2	$ 50.5
Ottawa Central Area Potential (1						
@ 31.4% (2	$ 9.9					
@ 37.5%		$ 12.6	$ 13.5	$ 14.9	$ 17.0	$ 18.9
@ 40.0%		$ 13.4	$ 14.4	$ 15.9	$ 18.1	$ 20.2
@ 42.5%		$14.3	$15.3	$ 16.9	$ 19.2	$ 21.5
Suburban Potential	$ 21.5	$ 21.0	$ 21.7	$ 23.9	$ 27.1	$ 30.3
Local S are						
@ 87.3%	$ 18.8					
@ 90.0%		$ 18.9	$ 19.5	$ 21.5	$ 24.4	$ 27.3
Local Residual Potential	N/A	$ 0.1	$ 0.7	$ 2.7	$ 5.6	$ 8.5
Additional Local Space Demand (4						
@ $165 Per Sq.Ft. GLA	N/A	1,000				
@ $175 Per Sq.Ft. GLA			4,000			
@ $185 Per Sq.Ft. GLA				15,000		
@ $200 Per Sq.Ft. GLA					28,000	
@ $210 Per Sq.Ft. GLA						40,000

SOURCE: Larry Smith & Associates Ltd.

1) Refers to Census Tracts 48 and 54 in downtown Ottawa.
2) Reflects the effects of existing competition and the results of the consumer survey.
3) Reflects the results of the consumer survey.
4) Rounded to the nearest 1,000 sq. ft. gross leasable area (GLA).
N/A = Not Applicable.

TABLE A-16

EASTERN STUDY AREA
OTHER SPECIALTY DSTM POTENTIAL AND LOCAL RESIDUAL SPACE DEMAND-LOW

	1980	1983	1986	1991	1996	2001
Study Area Residents' Other Specialty DSTM Potential ($ Millions)	$ 34.5	$ 37.0	$ 39.7	$ 43.8	$ 49.7	$ 55.6
Ottawa Central Area Potential (1						
@ 22.0% (2	$ 6.9	$ 8.1				
@ 27.5%		$ 10.2	$ 10.9	$ 12.0	$ 13.7	$ 15.3
@ 30.0%		$ 11.1	$ 11.9	$ 13.1	$ 14.9	$ 16.7
@ 32.5%			$ 12.9	$ 14.2	$ 16.2	$ 18.1
Suburban Potential	$ 27.6	$ 26.8	$ 27.8	$ 30.7	$ 34.8	$ 38.9
Local Share						
@ 70.7% (3	$ 19.5					
@ 80.0%		$ 21.4	$ 22.2	$ 24.6	$ 27.8	$ 31.1
Local Residual Potential	N/A	$ 1.9	$ 2.7	$ 5.1	$ 8.3	$ 11.6
Additional Local Space Demand (4						
@ $185 Per Sq.Ft. GLA	N/A	10,000				
@ $190 Per Sq.Ft. GLA			14,000			
@ $205 Per Sq.Ft. GLA				25,000		
@ $215 Per Sq.Ft. GLA					39,000	
@ $230 Per Sq.Ft. GLA						50,000

SOURCE: Larry Smith & Associates Ltd.

1) Refers to Census Tracts 48 and 54 in downtown Ottawa.
2) Reflects the effects of existing competition and the results of the consumer survey.
3) Reflects the results of the consumer survey.
4) Rounded to the nearest 1,000 sq. ft. gross leasable area (GLA).
N/A = Not Applicable.

TABLE A-17

EASTERN STUDY AREA
RESIDUAL DEMAND vs POTENTIAL SUPPLY
DEPARTMENT STORE SPACE -LOW
(Sq. Ft. GLA)

	1983	1986	1991	1996	2001
St. Laurent Expansion 120,000 Sq.Ft. @ 83.0% Effectiveness	100,000	100,000	100,000	100,000	100,000
Orleans Town Centre 100,000 Sq.Ft. @ 95.0%	95,000	95,000			
100,000 200,000 Sq.Ft. @ 90.0%			180,000	180,000	180,000
TOTAL	195,000	195,000	280,000	280,000	280,000
Additional Local Space Demand	30,000	90,000	170,000	240,000	305,000
(Deficit)/Surplus Additional Local Demand Available To Support Eastgate Proposal	(165,000)	(105,000)	(110,000)	(40,000)	25,000

SOURCE: Larry Smith & Associates Ltd.

TABLE A-18

EASTERN STUDY AREA
RESIDUAL DEMAND vs POTENTIAL SUPPLY
NONDEPARTMENT STORE DSTN SPACE-LOW
(Sq. Ft. GLA)

	1983	1986	1991	1996	2001
St. Laurent Expansion 40,000 @ 85.0%	34,000	34,000	34,000	34,000	34,000
Orleans Town Centre 20,000 @ 95.0%	19,000	19,000			
105,000 / 125,000 @ 90.0%			113,000	113,000	113,000
Admiral Leaseholds 50,000 @ 90.0%	45,000	45,000	45,000	45,000	45,000
TOTAL	98,000	98,000	192,000	192,000	192,000
Additional Local Space Demand	40,000	55,000	95,000	145,000	190,000
(Deficit)/Surplus Additional Local Demand Available To Support Eastgate Proposal And/Or Other Retail Developments	(58,000)	(43,000)	(97,000)	(47,000)	(2,000)

SOURCE: Larry Smith & Associates Ltd.
1) Excluding TBA.

TABLE A-19

EASTERN STUDY AREA
RESIDUAL DEMAND vs POTENTIAL SUPPLY
APPAREL/ACCESSORIES STORE SPACE-HIGH
(SQ.FT. GLA)

	1983	1986	1991	1996	2001
St. Laurent Expansion					
25,000 @ 85%	21,000	21,000	21,000	21,000	21,000
Orleans Town Centre					
20,000 @ 95%	19,000	19,000			
40,000					
60,000 @ 90%			54,000	54,000	54,000
Admiral Leaseholds					
20,000 @ 90%	18,000	18,000	18,000	18,000	18,000
TOTAL:	58,000	58,000	93,000	93,000	93,000
Additional Local Space Demand	2,000	6,000	25,000	41,000	52,000
(Deficit)/Surplus Additional Local Demand Available to Support Eastgate Proposal and/or Other Retail Developments	(56,000)	(52,000)	(68,000)	(52,000)	(41,000)

SOURCE: Larry Smith & Associates Ltd.

TABLE A-20

EASTERN STUDY AREA
RESIDUAL DEMAND vs POTENTIAL SUPPLY
OTHER SPECIALTY DSTM STORE SPACE-HIGH
(SQ.FT. GLA)

	1983	1986	1991	1996	2001
St. Laurent Expansion 15,000 @ 85.0%	13,000	13,000	13,000	13,000	13,000
Orleans Town Centre 50,000 @ 90.0%			45,000	45,000	45,000
Admiral Leaseholds 20,000 @ 90.0%	18,000	18,000	18,000	18,000	18,000
TOTAL	31,000	31,000	76,000	76,000	76,000
Additional Local Space Demand	11,000	21,000	35,000	53,000	63,000
(Deficit)/Surplus Additional Local Demand Available To Support Eastgate Proposal And/Or Other Retail Developments	(20,000)	(10,000)	(41,000)	(23,000)	(13,000)

SOURCE: Larry Smith & Associates Ltd.

TABLE A-21

EASTERN STUDY AREA
RESIDUAL DEMAND vs POTENTIAL SUPPLY
APPAREL/ACCESSORIES STORE SPACE-LOW
(Sq. Ft. GLA)

	1983	1986	1991	1996	2001
St. Laurent Expansion					
25,000 @ 85%	21,000	21,000	21,000	21,000	21,000
Orleans Town Centre					
20,000 @ 95%	19,000	19,000			
40,000					
60,000 @ 90%			54,000	54,000	54,000
Admiral Leaseholds					
20,000 @ 90%	18,000	18,000	18,000	18,000	18,000
TOTAL:	58,000	58,000	93,000	93,000	93,000
Additional Local Space Demand	1,000	4,000	15,000	28,000	40,000
(Deficit)/Surplus Additional Local Demand Available to Support Eastgate Proposal and/or Other Retail Developments	(57,000)	(54,000)	(78,000)	(65,000)	(53,000)

SOURCE: Larry Smith & Associates Ltd.

TABLE A-22

EASTERN STUDY AREA
RESIDUAL DEMAND vs POTENTIAL SUPPLY
OTHER SPECIALTY DSTM STORE SPACE-LOW
(Sq. Ft. GLA)

	1983	1986	1991	1996	2001
St. Laurent Expansion 15,000 @ 85.0%	13,000	13,000	13,000	13,000	13,000
Orleans Town Centre 50,000 @ 90.0%			45,000	45,000	45,000
Admiral Leaseholds 20,000 @ 90.0%	18,000	18,000	18,000	18,000	18,000
TOTAL	31,000	31,000	76,000	76,000	76,000
Additional Local Space Demand	10,000	14,000	25,000	39,000	50,000
(Deficit)/Surplus Additional Local Demand Available To Support Eastgate Proposal And/Or Other Retail Developments	(21,000)	(17,000)	(51,000)	(37,000)	(26,000)

SOURCE: Larry Smith & Associates Ltd.

TABLE A-23

EASTERN STUDY AREA
DEPARTMENT STORE EXPENDITURE PATTERN- LOW SCENARIO
($ Millions)

	1980	1983	1986		1991		1996	
			Excl. Eastgate	With Eastgate	Excl. Eastgate	With Eastgate	Excl. Eastgate	With Eastgate
Department Store Potential	$ 84.4	$100.8	$115.3	$115.3	$132.7	$132.7	$150.7	$150.7
Central Area	$ 9.5	$ 22.7	$ 28.8	$ 19.6	$ 33.2	$ 22.6	$ 37.7	$ 25.6
Suburban Potential	$ 74.9	$ 78.1	$ 86.5	$ 95.7	$ 99.5	$110.1	$113.0	$125.1
Outside E.S.A.	$ 4.9	$ 3.9	$ 4.3	$ 3.8	$ 5.0	$ 4.4	$ 5.6	$ 5.0
Within E.S.A.	$ 70.0	$ 74.2	$ 82.2	$ 91.9	$ 94.5	$105.7	$107.4	$120.1
St. Laurent	$ 56.0	$ 51.9	$ 57.5	$ 49.1	$ 56.7	$ 51.8	$ 64.4	$ 58.7
Orleans	-	$ 10.0	$ 10.5	$ 8.9	$ 23.1	$ 18.5	$ 24.8	$ 19.8
Eastgate	-	-	-	$ 21.1	-	$ 22.2	-	$ 25.2
Other	$ 14.0	$ 12.3	$ 14.2	$ 12.8	$ 14.7	$ 13.2	$ 18.2	$ 16.4

SOURCE: Larry Smith & Associates Ltd. estimates.

TABLE A-24

EASTERN STUDY AREA
NONDEPARTMENT STORE DSTM EXPENDITURE PATTERN(1) - LOW SCENARIO
($ Millions)

	1980	1983	1986		1991		1996	
			Excl. Eastgate	With Eastgate	Excl. Eastgate	With Eastgate	Excl. Eastgate	With Eastgate
Nondepartment Store Potential	$119.8	$128.4	$137.8	$137.8	$152.0	$152.0	$172.7	$172.7
Central Area	$ 19.2	$ 32.1	$ 37.9	$ 27.6	$ 41.8	$ 30.4	$ 47.5	$ 34.5
Suburban Potential	$100.6	$ 96.3	$ 99.9	$110.2	$110.2	$121.6	$125.2	$138.2
Outside E.S.A.	$ 35.2	$ 24.1	$ 25.0	$ 22.0	$ 27.5	$ 24.3	$ 31.3	$ 27.6
Within E.S.A.	$ 65.4	$ 72.2	$ 74.9	$ 88.2	$ 82.7	$ 97.3	$ 93.9	$110.6
St. Laurent	$ 22.0	$ 24.5	$ 25.4	$ 23.4	$ 24.8	$ 24.4	$ 28.2	$ 27.7
Orleans	$ 8.6	$ 11.6	$ 12.0	$ 10.2	$ 26.5	$ 21.2	$ 30.0	$ 24.0
Eastgate	-	-	-	$ 21.5	-	$ 22.8	-	$ 26.0
Other	$ 34.8	$ 36.1	$ 37.5	$ 33.1	$ 31.4	$ 28.9	$ 35.7	$ 32.9

SOURCE: Larry Smith & Associates estimate
1) Excludes TBA Expenditures.

TABLE A-25

DEPARTMENT STORE DSTM PERFORMANCE LEVELS
AT SELECTED MAJOR RETAIL NODES
LOW SCENARIO

			1986		1991		1996	
CENTRAL AREA:	1980	1983	A	B	A	B	A	B
Total Sales ($ Millions)	$ 51.6	$ 87.7	$112.7	$103.5	$132.2	$121.6	$148.6	$136.5
Total Space-Sq.Ft. GLA	572,000	932,000	932,000	932,000	932,000	932,000	1,092,000	1,092,000
Sales/Sq. Ft.	$90	$94	$121	$111	$142	$130	$136	$125
(Target Performance Level)		($125)	($130)		($140)		($155)	
ST. LAURENT								
Total Sales ($ Millions)	$ 76.4	$ 62.5	$ 69.3	$ 59.2	$ 68.3	$ 62.4	$ 77.6	$ 70.7
Total Space-Sq.Ft. GLA	307,000	427,000	427,000	427,000	427,000	427,000	427,000	427,000
Sales/Sq. Ft.	$249	$146	$162	$139	$160	$146	$182	$166
(Target Performance Level)	-	($140)	($145)		($155)		($165)	
ORLEANS								
Total Sales ($ Millions)	-	$ 10.5	$ 11.0	$ 9.4	$ 25.7	$ 20.6	$ 27.6	$ 22.0
Total Space-Sq.Ft. GLA	-	100,000	100,000	100,000	200,000	200,000	200,000	200,000
Sales/Sq. Ft.	-	$105	$110	$94	$129	$103	$138	$110
(Target Performance Level)	-	($105)	($110)		($135)		($145)	
EASTGATE								
Total Sales ($ Millions)	-	-	-	$ 24.1	-	$ 25.4	-	$ 28.8
Total Space-Sq.Ft. GLA	-	-	-	240,000	-	240,000	-	240,000
Sales/Sq. Ft.	-	-	-	$100	-	$106	-	$120
(Target Performance Level)	-			($125)		($135)		($145)
OTHER EASTERN STUDY AREA FACILITIES								
Total Sales ($ Millions)	$ 20.0	$ 17.6	$ 20.3	$ 18.3	$ 21.0	$ 18.9	$ 26.0	$ 23.4
Total Space-Sq.Ft. GLA	274,000	274,000	274,000	274,000	274,000	274,000	274,000	274,000
Sales/Sq. Ft.	$73	$64	$74	$67	$76	$69	$95	$85
(Target Performance Level)		($89)	($93)		($100)		($105)	

SOURCE: Larry Smith & Associates Ltd. estimates

A = Excludes Eastgate.
B = Includes Eastgate.

TABLE A-26

NONDEPARTMENT STORE DSTM PERFORMANCE LEVELS
AT SELECTED MAJOR RETAIL NODES
LOW SCENARIO

	1980	1983	1986		1991		1996	
			A	B	A	B	A	B
CENTRAL AREA:								
Total Sales ($ Millions)	$116.9	$155.6	$183.1	$172.8	$205.8	$194.4	$231.2	$218.2
Total Space-Sq.Ft. GLA	822,100	1,147,100	1,147,100	1,147,100	1,200,000	1,200,000	1,300,000	1,300,000
Sales/Sq. Ft.	$143	$136	$160	$151	$172	$162	$178	$169
(Target Performance Level)		($155)	($165)		($180)		($190)	
ST. LAURENT								
Total Sales ($ Millions)	$ 27.9	$ 28.8	$ 29.9	$ 27.5	$ 29.2	$ 28.7	$ 33.2	$ 32.6
Total Space-Sq.Ft. GLA	127,200	167,200	167,200	167,200	167,200	167,200	167,200	167,200
Sales/Sq. Ft.	$219	$172	$179	$164	$175	$172	$199	$195
(Target Performance Level)	-	($165)	($175)		($185)		($200)	
ORLEANS								
Total Sales ($ Millions)	$ 9.1	$ 12.2	$ 12.6	$ 10.7	$ 29.4	$ 23.6	$ 33.3	$ 26.7
Total Space-Sq.Ft. GLA	70,900	90,900	90,900	90,900	195,900	195,900	195,900	195,900
Sales/Sq. Ft.	$128	$134	$139	$118	$150	$120	$170	$136
(Target Performance Level)	-	($140)	($155)		($170)		($185)	
EASTGATE								
Total Sales ($ Millions)	-	-	-	$ 24.6	-	$ 26.1	-	$ 29.7
Total Space-Sq.Ft. GLA	-	-	-	160,000	-	160,000	-	160,000
Sales/Sq. Ft.	-	-	-	$154	-	$163	-	$186
(Target Performance Level)				($175)		($185)		($200)
OTHER EASTERN STUDY AREA FACILITIES								
Total Sales ($ Millions)	$ 39.9	$ 40.1	$ 41.7	$ 36.8	$ 34.9	$ 32.1	$ 39.7	$ 36.6
Total Space-Sq.Ft. GLA	445,400	445,400	445,400	445,400	445,400	445,400	445,400	445,400
Sales/Sq. Ft.	$90	$90	$94	$83	$78	$72	$89	$82
(Target Performance Level)	-	($95)	($100)		($105)		($100)	

SOURCE: Larry Smith & Associates Ltd. estimates.

A = Excludes Eastgate.
B = Includes Eastgate.

APPENDIX B

TABLE B-1

RETAIL STORE EXPENDITURE PATTERNS OF OTTAWA-HULL ECONOMIC AREA RESIDENTS BY SELECTED STORE TYPES (1

	EXPENDITURES OF OTTAWA-HULL ECONOMIC AREA RESIDENTS		
	Central Area	Total Suburban	Eastern Study Area
Department Stores	10.4%	89.6%	26.6%
Nondepartment Store DSTM Facilities	14.8%	85.2%	17.4%
Total DSTM Stores	12.8%	87.2%	21.5%
Apparel & Accessories Stores	25.3%	74.7%	13.4%
Other Specialty DSTM Stores	22.4%	77.6%	15.0%

	EXPENDITURES OF EASTERN STUDY AREA RESIDENTS		
	Central Area	Total Suburban	Eastern Study Area
Department Stores	11.2%	88.8%	83.1%
Nondepartment Store DSTM Facilities	10.8%	89.2%	66.0%
Total DSTM Stores	11.0%	89.0%	73.9%
Apparel & Accessories Stores	31.4%	68.6%	59.9%
Other Specialty DSTM Stores	22.0%	78.0%	55.1%

SOURCE: Larry Smith & Associates Ltd.
1) Based on the results of the consumer survey.

APPENDIX B

SUMMARY OF CONSUMER SURVEY RESULTS

In Tables B-1 and B-2 following we have summarized the results of the consumer survey undertaken by Market Facts of Canada Limited under our instructions, between August 14 and September 9, 1980.

In Table B-1, we have summarized the store expenditure patterns of Ottawa-Hull Economic Area residents as well as those of Eastern Study Area residents for the principal retail categories analyzed in this study. The percentage distributions shown for each retail category were taken from the consumer survey and the geographic locations in which Economic Area and/or Eastern Study Area residents make their expenditures for selected retail categories have also been indicated.

We have divided the respondents' total expenditures for each store type into three categories: the share of total expenditures made in the Ottawa central area (CT's 48 and 54), the second category includes the share made in Economic Area suburban retail locations and the third category represents the proportion of total expenditures made in stores within the Eastern Study Area itself.

Table B-2 provides a summary of the socio-economic characteristics of the respondents to the consumer survey questionnaire. The only purpose to the answers to the questions summarized in Table B-2 was to determine the composition of the random sample. This data is quite self-explanatory but in general, it indicates that the survey includes a reasonably good cross-section of the Ottawa-Hull Economic Area population.

TABLE B-2

CONSUMER SURVEY SUMMARY DATA

	NUMBER	PERCENT
How many people including infants live in the home?		
1	138	10.2
2	347	25.7
3	258	19.1
4	348	25.7
5	171	12.6
6	49	3.6
7 or more	25	1.8
Refused to answer	17	1.3
TOTAL:	1,353	100.0
Respondent's Employment Status		
Employed full-time outside the home	513	37.9
Employed part-time outside the home	161	11.9
Student	13	1.0
Housewife	498	36.8
Retired	142	10.5
Other	26	1.9
Refused	-	-
TOTAL:	1,353	100.0
Respondent's Age Group		
Under 25	72	5.3
25 - 34	313	23.1
35 - 44	326	24.1
45 - 54	264	19.5
55 - 64	206	15.2
65 and over	155	11.5
Refused	17	1.3
TOTAL:	1,353	100.0

/Cont'd.

TABLE B-2 (Cont'd.)

CONSUMER SURVEY SUMMARY DATA

		NUMBER	PERCENT
Total Annual Income of All Members of the Household Before Taxes in 1979			
Under $5,000		48	3.5
$ 5,000 - $ 6,999		38	2.8
$ 7,000 - $ 9,999		40	3.0
$10,000 - $12,999		97	7.2
$13,000 - $15,999		105	7.8
$16,000 - $18,999		112	8.3
$19,000 - $21,999		125	9.2
$22,000 or over		539	39.8
Refused or other(1		249	18.4
	TOTAL:	1,353	100.0
Male/Female Distribution			
Males		204	15.1
Females		1,149	84.9
	TOTAL:	1,353	100.0

NOTE: Four surveys out of a total sample of 1,357 were unusable as they were not conducted in the proper predesignated sampling areas.

SOURCE: Larry Smith & Associates Ltd.
1) Other refers to unknown annual income.

APPENDIX C

APPENDIX C

SURVEY METHODOLOGY & QUESTIONNAIRE

Included in this appendix is a copy of the English version of the questionnaire administered in the Ottawa-Hull Economic Area by Market Facts of Canada Limited between August 14 and September 9th of 1980. Also included is a copy of a letter received from this firm which outlines the study procedures used in carrying out the survey. Attached to this letter is a graph which illustrates the confidence limits or the degree of reliability of the survey results for the sample size of 1,350 interviews. This approximates the size of the sample used in the consumer survey which totalled 1,357, four of which were unusable.

market facts of Canada Limited

October 15th, 1980

Mr. John Koppel
Vice-President
Larry Smith & Associates
2 Sheppard Avenue East
Suite 2000
WILLOWDALE, Ontario
M2N 5Y7

Dear John,

The following will outline the study procedures followed on the telephone study we conducted on your behalf in Ottawa/Hull.

Between August 14th and September 9th, 1980, Market Facts of Canada Limited conducted 1,357 interviews within the trade area of Ottawa/Hull. The breakdown of interviews by area can be seen in the attached pages. In each area, 85% of interviews were completed with female heads and 15% with male heads of households as requested by Larry Smith & Associates Limited. It was felt that this ratio would approximate the division of household shopping patterns for the types of stores covered.

Using the information you provided defining the Ottawa/Hull trade area, the sample was randomly selected from the Ottawa City directory and the Ottawa phone book. The number of interviews assigned to any one area was roughly in proportion to the number of people living in the area.

For the confidence limits of a sample size of 1,350, please see Table A attached.

All interviewing was carried out by trained Market Facts' interviewers supervised by our in-site supervisor. Fifteen percent verification was conducted on each interviewer's work, and all results proved satisfactory.

All questionnaires were edited and forwarded to Larry Smith & Associates Limited for tabulation and analysis.

Should you require any further details on the study, please call.

Sincerely,

Judy Langer

Judy Langer
Project Director

JL/lw

Encl. #5362

1240 Bay Street
Toronto, Ontario
M5R 3L9
(416)964-6262
Telex: 06-217-696

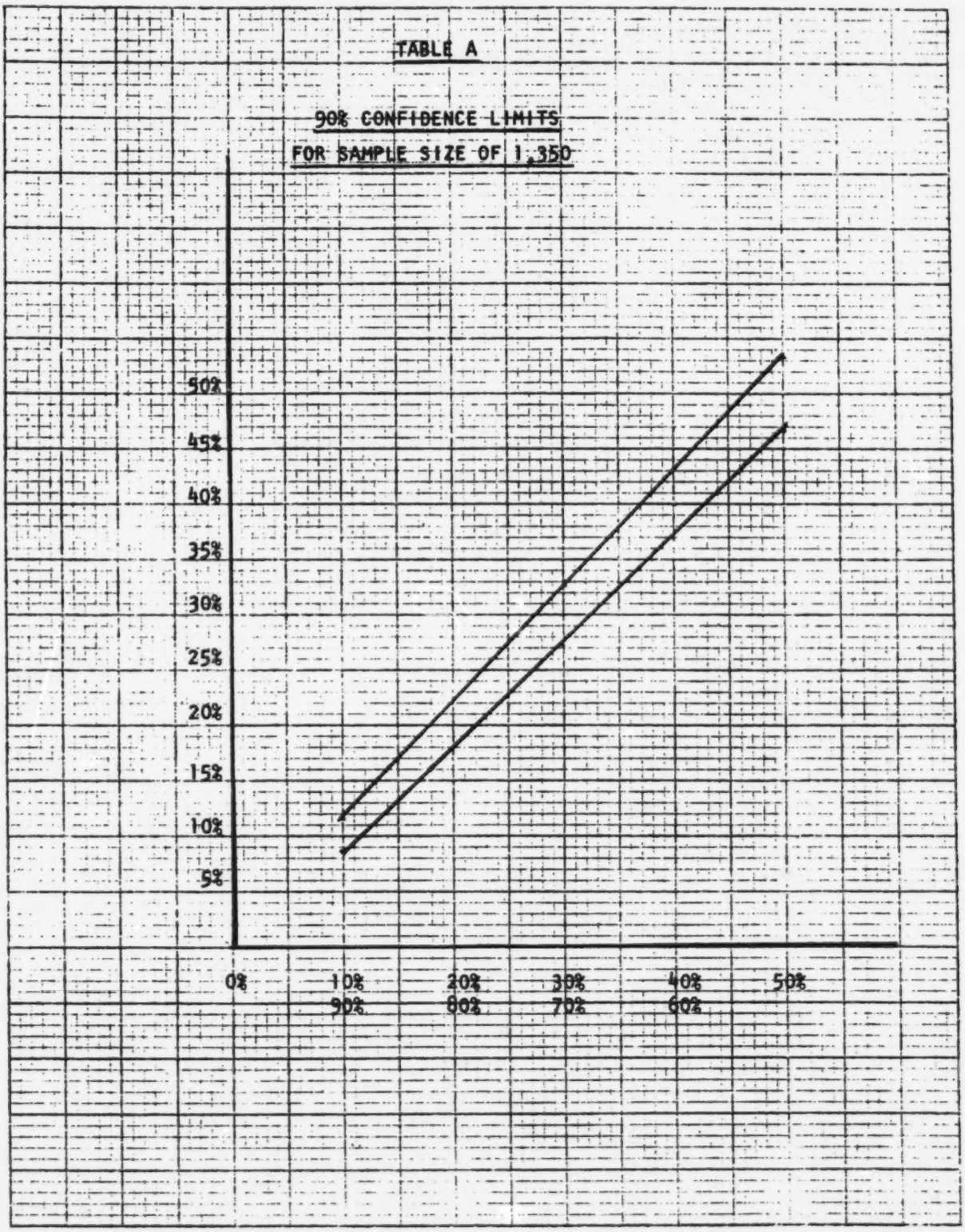
Toronto
Montreal
Vancouver
Edmonton

Chicago
New York
Washington, D.C.
Los Angeles
Miami

CAMPO MEMBER

TABLE A

90% CONFIDENCE LIMITS FOR SAMPLE SIZE OF 1,350



SAMPLE AREA NUMBER	NAME	REQUIRED SAMPLE	ACTUAL SAMPLE COMPLETED
1	Pinecrest-Queensway	49	49
2	McKeller-Highland	38	38
3	Westboro	55	55
4	Central area - Downtown	103	103
7	Glebe	49	49
8	Carleton Heights	24	24
9	Carlington-Copeland	41	41
16	Nepean + Rideau	168	168
21	Goulborn	18	18
22	March + West Carleton	49	49
	Sub-Total	594	594
15.1	Hull	23	23
15.2	Hull	96	96
18	Alymer	45	45
19.1	Gatineau	124	124
19.2	La Pecho, Val-des-Monts, Hull, Partie Quest	46	46
	Sub-Total	334	334
5.1	Manor Park	18	18
5.2	Manor Park	5	5
5.3	Manor Park	7	5
5.4	Manor Park	7	7
6.1	Overbrook	11	11
6.2	Overbrook	8	8
6.3	Overbrook	12	12
12.1	Riverview-Hawthorne	12	12
12.2	Riverview-Hawthorne	8	8
12.3	Riverview-Hawthorne	8	8
12.4	Riverview-Hawthorne	12	12
12.5	Riverview-Hawthorne	9	9
13	Vanier	35	35
14	Rockcliffe	4	4
17.1	Part of Gloucester-Cyrville	18	18
17.2	Rothwell	38	38
17.3	Orleans	22	22
17.4	Blackburn Hamlet	18	18
17.5	Part of Green Belt	3	3
20.1	Cumberland & Clarence	37	37
20.2	Rockland	8	8
	Sub-Total	300	298

/Cont'd.

SAMPLE AREA NUMBER	NAME		REQUIRED SAMPLE	ACTUAL SAMPLE COMPLETED
17.6	Blossom Park		7	6
17.7	Part of Gloucester		16	16
17.8	Osgoode		18	18
10.1	Western Community		16	16
10.2	Western Community		9	9
10.3	Western Community		7	7
11.1	Greenboro		7	6
11.2	Greenboro		11	11
11.3	Greenboro		9	9
11.4	Greenboro		8	8
11.5	Greenboro		14	14
11.6	Greenboro		7	7
		Sub-Total	129	127
		GRAND TOTAL	1,357	1,353

OTTAWA/HULL SHOPPING STUDY NO.5362 MARKET FACTS OF CANADA LIMITED

MR. ( )
NAME: MRS. ( )_____ DATE:_____
MISS ( ) PHONE:_____

ADDRESS:_____

NEAREST MAIN INTERSECTION_____AND_____

TIME STARTED_____TIME FINISHED_____

SUPERVISOR:

IF YOU HAVE CHECKED EACH PAGE, PLEASE INITIAL HERE:_____

FOR OFFICE USE

VERIFIED BY:_____DATE:_____

"I hereby certify that this interview was conducted according to the questionnaire and instructions for this study and that the answers recorded are as given to me by this respondent.

I also realize that a portion of my work will be checked with the respondent for verification."

_____
Interviewer's Signature

Interview completed with:

Male Head of Household----------1
Female Head of Household----------2

Interview completed in: Zone_____

OTTAWA/HULL SHOPPING STUDY NO. 5362 MARKET FACTS OF CANADA LIMITED

Good_____. I am _____ of Market Facts of Canada Limited, a marketing research company. We are conducting a survey about people's shopping habits and I would like to ask you a few questions.

A. Are you the female/male head of the household?

Male head of the household--------1

Female head of the household------2

IF NEITHER AVAILABLE, TERMINATE INTERVIEW

INTERVIEW MALE OR FEMALE HEAD OF HOUSEHOLD, ACCORDING TO SAMPLE QUOTA REQUIREMENTS

For this study we have to interview people living throughout the Ottawa/Hull Metropolitan Area. In order for us to ensure that our survey results have been drawn from residents of the entire Metropolitan Area, what is the name of the street on which you live?

Name of Street:_____

INTERVIEWER COMPARE STREET NAMED ABOVE WITH STREET NAME WRITTEN ON RECORDING SHEET.

IF STREET NAME DIFFERENT, SAY: "I HAVE MY QUOTA FOR THAT AREA OF THE CITY. THANK YOU VERY MUCH." - TERMINATE INTEVIEW.

1a) Have you, yourself, shopped at a DEPARTMENT STORE or a DISCOUNT DEPARTMENT STORE in just the PAST 3 MONTHS?

YES----------1 NO----------2 (Skip to Qu. 2a)

1b) Which one or ones were they? (DO NOT READ LIST. CIRCLE AS MANY AS APPLICABLE)

Qu. 1b) Name of Store		Qu. 1c) Location		Qu. 1d) Amount Spent
Woolco	1	_____	at _____	$_____.00
The Bay	2	_____	at _____	$_____.00
Sears (Simpsons Sears)	3	_____	at _____	$_____.00
K-Mart	4	_____	at _____	$_____.00
Zellers	5	_____	at _____	$_____.00
Simpsons	6	_____	at _____	$_____.00
Eaton's	7	_____	at _____	$_____.00
Ogilvys	8	_____	at _____	$_____.00
Caplans	9	_____	at _____	$_____.00
Miracle Mart	10	_____	at _____	$_____.00
Towers	11	_____	at _____	$_____.00
Pascal	12	_____	at _____	$_____.00
Gen	13	_____	at _____	$_____.00
Other (Specify)				
_____		_____	at _____	$_____.00
_____		_____	at _____	$_____.00
_____		_____	at _____	$_____.00

FOR EACH STORE, ASK QU. 1c & 1d

And what is the location of

1c) _____?
(Name of store)

Just give me the two closest intersecting streets or the name of the Shopping Centre/ and the Community.

1d) About how much did you spend at

_____?
(Name of store)

In the past three months? Please be sure to give your answer to the nearest dollar.

2a) Have you, yourself, shopped at a CATALOGUE STORE in the PAST 3 MONTHS.

YES----------1 NO----------2 SKIP TO QU. 3a

2b. Which one or ones were they? (WRITE IN NAME(S) BELOW)

Qu. 2b Name of Store	Qu. 2c Location	Qu. 2d Amount Spent
_____	_____ at _____	$_____.00
_____	_____ at _____	$_____.00
_____	_____ at _____	$_____.00

FOR EACH STORE, ASK QU. 2c & 2d

2c) And what is the location of

_____?
(Name of store)
Just give me the two closest intersecting streets and the community.

2d) About how much did you spend at

_____?
(Name of store)
in the past three months? Please be sure to give me your answer to the nearest dollar.

3a) Have you, yourself, shopped at a FURNITURE, APPLIANCE OR HOME FURNISHINGS STORE, other than in a department or discount department store in just the past 6 MONTHS?

YES----------1 NO----------2 SKIP TO QU. 4a

3b) Which one or ones were they? (WRITE IN NAME(S) BELOW)

Qu. 3b Name of Store	Qu. 3c Location	Qu. 3d Amount Spent
_____	_____ at _____	$_____.00
_____	_____ at _____	$_____.00
_____	_____ at _____	$_____.00

3c) FOR EACH STORE, ASK QU. 3c & 3d

And what is the location of

_____?
(Name of store)
just give me the two closest intersecting streets and the community.

3d) About how much did you spend at

_____?
(Name of store)
in the past 6 months? Please be sure to give me your answer to the nearest dollar.

4a) Have you, yourself, shopped at a CLOTHING STORE, OR SHOE STORE other than in a department or discount department store, in just the PAST 3 MONTHS?

YES----------1 NO----------2 SKIP TO QU. 5a

4b) Which one or ones were they? (WRITE IN NAME(S) BELOW)

Qu. 4b Name of Store		Qu. 4c Location	Qu. 4d Amount spent
_____	_____	at _____	$_____.00
_____	_____	at _____	$_____.00
_____	_____	at _____	$_____.00
_____	_____	at _____	$_____.00
_____	_____	at _____	$_____.00
_____	_____	at _____	$_____.00

FOR EACH STORE, ASK QU. 4c & 4d

4c) And what is the location of

_____?
(Name of store)
Just give me the two closest intersecting street and the community.

4d) And how much did you spend at

_____?
(Name of store)
in the past 3 months? Please be sure to give me your answer to the nearest dollar.

5a) And have you, yourself, shopped at a JEWELLERY STORE other than in a department or discount department store, in just the PAST 3 MONTHS?

YES----------1 NO----------2 SKIP TO QU. 6a

5b) Which one or ones were they? (WRITE IN NAME(S) BELOW)

Qu. 5b Name of Store	Qu. 5c Location	Qu. 5d Amount Spent
_____	_____ at _____	$_____.00
_____	_____ at _____	$_____.00
_____	_____ at _____	$_____.00

FOR EACH STORE, ASK QU. 5c & 5d

5c) And what is the location of _____? (Name of store) Just give me the two closest intersecting streets and the community.

5d) And how much did you spend at _____? (Name of store) in the past 3 months? Please be sure to give me your answer to the nearest dollar.

6a) Have you, yourself, shopped at a BOOK STORE other than in a department or discount department store in just the PAST 3 MONTHS?

YES----------1 NO----------2 SKIP TO QU. 7a

6b) Which one or ones were they? (WRITE IN NAME(S) BELOW)

Qu. 6b Name of store	Qu. 6c Location	Qu. 6d Amount Spent
_____	_____ at _____	$_____.00
_____	_____ at _____	$_____.00
_____	_____ at _____	$_____.00

FOR EACH STORE, ASK QU. 6c & 6d

6c) And what location of _____? (Name of store) Just give me the two closest intersecting streets and the community.

6d) About how much did you spend at _____? (Name of store) in the past 3 months? Please be sure to give me your answer to the nearest dollar.

7a) Have you, yourself, shopped at a SPORTING GOODS STORE other than in a department or discount department store, in just the PAST 3 MONTHS?

YES----------1 NO----------2 SKIP TO QU. 8a

7b) Which one or ones were they? (WRITE IN NAME(S) BELOW)

Qu. 7b Name of Store	Qu. 7c Location	Qu. 7d Amount Spent
_____	_____ at _____	$_____.00
_____	_____ at _____	$_____.00
_____	_____ at _____	$_____.00

FOR EACH STORE, ASK QU. 7c & 7d

7c) And what is the location of _____? (Name of store) Just give me the two closest intersecting streets and the community.

7d) And how much did you spend at _____? (Name of store) in the past 3 months? Please be sure to give me your answer to the nearest dollar.

8a) Have you, yourself, shopped at a RECORD STORE other than in a department store in just the PAST 3 MONTHS?

YES----------2 NO----------2 SKIP TO QU. 9a

8b) Which one or ones were they? (WRITE IN NAME(S) BELOW)

Qu. 8b Name of Store	Qu. 8c Location	Qu. 8d Amount Spent
_____	_____ at _____	$_____.00
_____	_____ at _____	$_____.00
_____	_____ at _____	$_____.00

FOR EACH STORE, ASK QU. 8c & 8d

8c) And what is the location of _____? (Name of store) Just give me the two closest intersecting streets and the community.

8d) About how much did you spend at _____? (Name of store) In the past 3 months? Please be sure to give me your answer to the nearest dollar.

9a) Have you, yourself, shopped at a HARDWARE OR PAINT/WALLPAPER STORE other than in a department store or discount department store in just the PAST MONTH?

YES----------1 NO----------2 SKIP TO QU. 10a

9b) Which one or ones were they? (WRITE IN NAME(S) BELOW)

Qu. 9b Name of Store	Qu. 9c Location	Qu. 9d Amount Spent
_____	_____ at _____	$_____.00
_____	_____ at _____	$_____.00
_____	_____ at _____	$_____.00

FOR EACH STORE, ASK QU. 9c & 9d

9c) And what is the location of _____? (Name of store) Just give me the two closest intersecting streets and the community.

9d) About how much did you spend at _____? (Name of store) in the past month? Please be sure to give me your answer to the nearest dollar.

10a) Have you, yourself, shopped at a DRUG STORE other than in a department or discount department store in just the PAST MONTH?

YES----------1 NO----------2 SKIP TO Qu. 11a

10b) Which one or ones were they? (WRITE IN NAME(S) BELOW)

Qu. 10b Name of store	Qu. 10c Location	Qu. 10d Amount Spent
_____	_____ at _____	$_____.00
_____	_____ at _____	$_____.00
_____	_____ at _____	$_____.00

FOR EACH STORE, ASK QU. 10c & 10d

10c) And what is the location of _____? (Name of store) Just give me the two closest intersecting streets or the name of the shopping centre and the community.

10d) About how much did you spend at _____? (Name of store) in the past month. Please be sure to give your answer to the nearest dollar.

APPENDIX D

TABLE D-1

CALCULATION OF
DEPARTMENT STORE TYPE MERCHANDISE (DSTM)

ONTARIO, 1971(1

Total Retail Sales	$	12,100,260
Less - Food Group	$	3,123,510
Less - Automotive	$	3,587,444
Sub Total	$	5,389,306
Add Back TBA and Other Automotive DSTM - est. at 17.5% of total automotive	$	627,803
Deduct:		
Second Hand Clothing	$	959
Antiques	$	10,962
Second Hand Furniture	$	7,222
Gov't Liquor	$	450,591
Brewer's Retail	$	235,469
Wine Store	$	9,125
Motorcycle Dealers	$	17,740
Monument and Tombstone	$	4,995
Religious Goods	$	1,563
Mobile Home - Trailers	$	55,757
Second Hand Books	$	861
Total DSTM	$	5,221,865
1971 Population		7,703,106
Per Capita DSTM		$ 678
DSTM as a % of Retail Sales		43.2%

Source: Larry Smith and Associates Ltd.
1) Based on Census of Canada (97-702)

APPENDIX D

DEFINITION OF TERMS

The following definitions have been prepared in order to acquaint the reader with terms which may appear new or unusual as used in this report. They have been included in order to avoid misunderstandings of the various items or methodology discussed in this analysis.

Trade or Market Area - The geographic area within which a retail development could expect to derive, on a regular basis, between 80.0% and 95.0% of its total sales volume is defined as its trade area or market area. The remaining sales are normally derived from residents living in areas beyond the delineated borders or occasional travellers. Market area boundaries consist frequently of socio-economic, man-made or natural barriers such as railway lines or rivers, although the influence of competitive retail facilities where applicable or car driving times are also important factors considered in the establishment of trade area boundaries.

In order to develop meaningful estimates of trade area potential, it is frequently necessary to divide a large trade area into various zones of influence in which the different drawing power of a development under study or planned developments can be analyzed in somewhat greater detail.

Per Capita Income - Per capita income as used in this report represents average total personal income before tax as defined by Statistics Canada. Per capita income data in this study reflects National Account Income statistics which are prepared regularly for all provinces. Trade area income data is based on the results of the 1971 Census of Canada which reports 1970 income data. It should be noted, however, that such income data was used as a guide only since the estimated income used in this report reflects current levels.

Department Store Type Merchandise (DSTM) - In order to evaluate the potential for a specific type of store, such as department stores, one has to define the market within which such a store operates. In estimates dealing with future potential, the merchandise which is not carried by department stores such as new and used cars, alcoholic beverages, fuel, etc., must be eliminated because market appeal and sales factor in these categories are normally substantially different from those items which are carried by department stores. It is considered necessary to apply different judgement factors for totally different merchandise categories. DSTM as used in this report includes all merchandise typically carried by Canadian department stores or by specialty stores carrying similar merchandise. The facing table illustrates the calculation of DSTM as derived from the 1971 Census of Canada for Ontario in total. It will be noted from this table that in 1971, DSTM as defined accounted for about 43.2% of total retail sales or $678 per capita.

TABLE D-2

LISTING OF STORE TYPES BY MAJOR RETAIL/SERVICE CATEGORIES

Food Stores

Supermarket
Grocery
Fruit & Vegetables
Dairy Products
Baker
Butcher/Poultry
Fish Store
Delicatessen
Candy & Nuts
Cheese Shop
Jug Milk Store

Hardware

Hardware
Wallpaper
Paint
Household Supplies

Drugs

Drug Store
Pharmacy

Liquor/Beer/Wine

Department Store

General Merchandise

Variety Store
Catalogue Store
Mail Order

Apparel & Accessories

Ladies' Wear
Children's Wear
Men's Wear
Family Wear
Bridal Shop
Maternity
Hosiery
Millinery
Shoes
Furs
Fabrics/Yard Goods

Furniture & Appliance

Furniture
Major Appliances
Radio/TV
Household Linen/Draperies
Domestic Appliances
Lamps
Carpets
Porcelain/Glass

Other Specialty DSTM Stores

Jewelry
Gifts
Newspaper/Tobacco
Cameras
Perfumes
Books
Sporting Goods
Florist
Stationery/Cards
Toys
Optics
Leather Goods/Luggage
Records
Musical Instruments
Pets
Garden Supplies
Hobby

Tires, Batteries, Accessories (TBA)

Auto Supply Store

Home Improvement Centre

Eating and Drinking Facilities

Restaurants
Take-out Food
Cafeterias

Other Services

Beauty Salons
Barber Shops
Cleaners & Dryers
Laundries
Photographer
Travel Agent
Repair Services
Real Estate
Accounting
Legal
Brokerage

Institutional Services

Banks
Finance Companies
Insurance Branches
Post Office
Library
Government Services

Full-line Department Stores - This is a major retail facility which normally contains in excess of 100,000 square feet of gross leasable area (GLA), offering a complete range and depth of merchandise including clothing and textiles, men's and women's accessories, toiletries, furniture and appliances, and numerous other merchandise items as well as a substantial range of services.

Sales Capacity - This term usually refers to the estimated amount of sales volume that existing retail facilities are capable of obtaining and holding under existing competitive conditions, when adequate facilities, with competent management are available to shoppers. In no way does the use of this term connote the maximum physical capacity of a specific store. Although the sales capacity volume for individual stores are sometimes at variance with actual sales achieved by specific stores, which are usually confidential, experience indicates that for large areas and numerous stores, sales capacity totals are normally similar to actual sales volume. In this study, capacity volumes are equated with estimated actual volumes rather than industry averages.

Effective Competition - This term refers to that portion of the total sales capacity of a competitive unit or group of stores which is obtained from total trade area or zone residents.

Residual Method of Study - Under the residual method of calculating potential, only that portion of total retail potential which is not being adequately served by existing stores is analysed. Thus, the full and continuing effectiveness of the existing stores is recognized. It should be indicated, however, that the residual approach does not necessarily maximize the opportunity for a specific major retailer because factors other than those included in the residual approach must be considered in the overall market strategy of a major retailer.

Gross Leasable Area (GLA) - This is the total floor area designed for tenant occupancy and exclusive use, including basements, mezzanines and upper floors - if any - expressed in square feet and measured from the centre line of joint partitions and from outside wall faces.

Gross leasable area is all that area on which tenants pay rent; it is the area producing income. GLA lends itself readily to measurement and comparison. Because of this feature, GLA has been adopted by the shopping centre industry as its standard for statistical comparison.

Major Retail/Service Categories - The types of stores or outlets included under each of the major retail/service categories as used in this report are detailed in Table D-2.

POOR

QUALITY

ORIGINAL